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## VALUE OF ORGANIZATION.

Editorial from the Chicago Banker, December 24, 1910.

Results attained last week in the development of a better transit system than bankers have at present prove the value of organization. Illinois bankers who so far have seemed indifferent to the advantages of State and National meetings will readily perceive what has been gained on this one point of expediting transit matters. They also will have to admit that without the power of the American Bankers Association this perplexing subject would have continued to vex and hamper the profession for years to come.

Individual banks and State Associations have tried hard to systematize the transit work and the harder they tried in an individual and unorganized way the more confusing and complicated matters became. It has to be a national system, uniform and simple, to give satisfactory results. In other words it is almost as important to Chicago bankers to have the proposed uniform system of numerals adopted in Wisconsin, Iowa, Indiana, Michigan and a number of other States as in Illinois. All States must co-operate in this matter if they are to secure the best that the new plan promises.

So far as the transit business itself is concerned "The Chicago Banker" believes that it will receive immediate, hearty and general support, but it is the purpose here to impress the value of organization on the minds of Illinois bankers and others who have never taken part in promoting the valuable work of the organized forces within the profession. There are many other important subjects to be handled. Banking is a growing and progressive vocation which to-day more than ever before needs unity of sentiment and a combination of talent and experience. It

is only through organization and the heartiest co-operation that the best results are to be accomplished in any direction.

## CONTINUITY OF CONVENTION DATES.

There is much to be said in favor of continuity of convention dates as applies to the various State Associations. The State Bankers' Associations are glad to welcome visitors and bankers from various parts of the country at convention time, but much inconvenience has been caused by the selection of simultaneous dates for these meetings, or dates which are too close together to allow visitors to go from one State to another. There may be good reasons why certain States are obliged to hold their conventions on specific dates, but in a majority of cases if the State Secretaries of contiguous districts would consult one another, such conflict of dates might be avoided.

This matter was fully discussed at the last meeting of the Organization of Secretaries held in Los Angeles, and while no resolutions were passed on the subject, it was the consensus of opinion that the Secretaries should get together on this important matter when the time comes for choosing dates, and endeavor to arrange these various meetings so that the greatest good will accrue to the largest number. A little study of the question will bring about the desired results.

In recent years there has been a bond of sympathy between the State Secretaries and the American Bankers' Association and a desire to heartily co-operate in all matters of common interest. Now that the Organization of Secretaries is a Section of the American Bankers' Association, their interests are

identical, and if such a thing is possible, there should be even greater sympathy in action, and the fullest co-operation.

#### JOHN J. P. ODELL, EX-PRESIDENT OF THE ASSOCIATION.

Mr. John J. P. Odell, formerly President of the old "Union National Bank" of Chicago, and ex-President of the American Bankers Association, died in Denver on December 26th, at the age of 63.

Mr. Odell commenced his banking experience as bookkeeper in the Northwestern National Bank at Chicago, in 1865. In the following year he filled a similar position in the Union National Bank in that city and was connected with the institution up to the year 1896, eventually being elected to the presidency.



JOHN J. P. ODELL.

In 1886 Mr. Odell was elected a member of the Executive Council of the American Bankers Association; in 1893 he was elected First Vice-President, and in 1894, President.

Under his administration, in 1894-95, the Association was very active in formulating and promoting many valuable features to advance the interests of the banking profession throughout the country, the principal one of which was the organization of the protective feature which has now developed into a system safeguarding the members of the Association against the perpetration of crime; affording them ample protection.

It was also during Mr. Odell's administration that the creation for a sound Currency and Banking system was agitated, which later on resulted in the appointment of a Currency Commission by the Association, and the appointment of a National Monetary

Commission, who are now doing so much to better the conditions that hitherto existed.

The efficacious work being done by the Association during that period was recognized by the banking fraternity in general and was the means of increasing the membership very extensively.

Mr. Odell organized and was the first president of the First National Bank of Duluth, Minnesota; and was also closely identified with many business concerns. He was a member of the Chicago Board of Trade, the Chicago Club and the Reform Club of New York, and was actively interested in the Young Men's Christian Union—now the Chicago Athenaeum—which was the outcome of the Chicago fire. He kept in close touch with all matters pertaining to the banking and mercantile world, in which he was so prominent a factor, and the loss therein will be widely felt.

#### "Trust Company Forms" Now Ready for Delivery.

The selections cover all departments of the trust company, and it is believed offer practical "forms" for carrying out all of the various banking and trust functions which may fall to the lot of an active company.

The selected forms have been reproduced by photographic process (one-half the original dimensions), bound in full morocco, leather lining, gilt edges, in handsome and durable shape—11 x 14 inches in size—and is for sale to members of the Association for \$15 each, and to non-members at \$20. Some 550 different forms have been reproduced, making a book of 145 pages, fully indexed. Subscriptions may be sent to Mr P. S. Babcock, Secretary Trust Company Section, 11 Pine Street, New York, who will forward book prepaid at once.

#### Credit Blanks.

There was published in the May issue of the Journal a description of credit blanks and a questionnaire for use in the credit department of banks, which forms were prepared by Mr. James G. Cannon, of New York City, and reproduced in the Journal mentioned. The prices were also quoted at which they can be obtained in quantities of 250 up to 1,000.

Anyone desiring these forms can send their order to the General Secretary of the Association, who will forward same to the printer, and the blanks will be shipped direct to the purchaser, together with bill.

#### Official Badges.

After providing for the delegates who attended the Los Angeles convention, a few of the official badges prepared by the Association were left over. Any of our members not present at Los Angeles who would like one as a souvenir, can obtain same by writing to the General Secretary. These will be sent out in the order in which the applications are received until the supply is exhausted.

# TRUST COMPANY SECTION

In accordance with the resolution passed at the last Convention by which vacancies in the State Vice-Presidency should be filled by the Executive Officers, the Executive Officers of the Section have made the following nominations:

Alabama—C. M. Williamson, Cashier American Trust & Savings Bank, Birmingham.

Arizona—N. E. Plumer, President Southern Arizona Bank & Trust Company, Tucson.

Arkansas—Sam W. Reyburn, President Union Trust Company, Little Rock.

California—M. P. Lillenthal, Cashier Anglo-California Trust Company, San Francisco.

Delaware—Otho Nowland, President Equitable Guaranty & Trust Company, Wilmington.

District of Columbia—G. E. Fleming, Vice-President Union Trust Company, Washington.

Florida—John Trice, President Citizens Bank & Trust Company, Tampa.

Georgia—John H. Calais, Treasurer Savannah Trust Company, Savannah.

Idaho—Boyd Hamilton, Coeur D'Alene Bank & Trust Company, Coeur D'Alene.

Illinois—Latham T. Souther, Secretary Sangamon Loan & Trust Company, Springfield.

Kentucky—J. A. Sullivan, President State Bank & Trust Company, Richmond.

Maine—Edward B. Winslow, President Mercantile Trust Company, Portland.

Massachusetts—Herbert A. Rhoades, President Dorchester Trust Company, Boston.

Minnesota—W. A. Durst, Secretary Minnesota Loan & Trust Company, Minneapolis.

Mississippi—P. H. Saunders, President Commercial Bank & Trust Company, Laurel.

Montana—George L. Ramsey, President Union Bank & Trust Company, Helena.

Nebraska—W. E. Barkley, Jr., President Lincoln Safe Deposit & Trust Company, Lincoln.

Oklahoma—D. M. Hailey, President Jefferson Trust Company, McAlester.

Oregon—H. L. Pittock, President Portland Trust Company, Portland.

South Carolina—T. B. Stackhouse, Vice-President Columbia Savings Bank & Trust Company, Columbia.

South Dakota—Ernest E. Hart, President State Banking & Trust Company, Sioux Falls.

Tennessee—Vernon I. Witherspoon, Vice-President Union Trust Company, Memphis.

Vermont—F. W. Elliott, Treasurer Burlington Trust Company, Burlington.

Virginia—Herbert W. Jackson, President Virginia Trust Company, Richmond.

Washington—E. Shorrock, President Northwest Trust & Safe Deposit Company, Seattle.

West Virginia—B. Walter Peterson, President Dollar Savings & Trust Company, Wheeling.

The list of Vice-Presidents nominated and elected by the Convention appears in the Journal of December.

The President of the Section has nominated Mr. E. J. Parker, President of the State Savings Loan & Trust Company of Quincy, Illinois, a member of the Committee on Protective Laws in place of Mr. F. H. Fries, who tendered his resignation upon his election of Chairman of the Executive Committee of the Section.

Membership in the Section continues to show satisfactory growth and now numbers 1,062.

Recently the one remaining non-member in Wisconsin joined the Association so that every trust company in that State is now a member of the Section. This is also true of Connecticut, and we hope that before the next Convention, a number of other States will also have every trust company enrolled.

As was done last year, and in accordance with the rulings of the Executive Council of the Association, the Proceedings of this and the other Sections will be published in one volume with the Proceedings of the main Association.

Such excellent progress has been made that this volume, which will be a book of something over 500 pages, that it is expected delivery to the members will be started before this copy of the Journal has been issued.

The annual address of Mr. H. P. McIntosh, President of the Section, referred to a "Digest of State Banking Statutes," printed as a Senate document by the National Monetary Commission. It was not possible, owing to the size of the tabular summary referred to by Mr. McIntosh, to include it in the Proceedings of the Section. Members, however, who wish to have this valuable book and summary can procure same upon application to the Superintendent of Public Documents, Washington, D. C., at a cost of 70 cents.

## Special Notice.

It is felt that it will be of much value and interest to the members of the Section to have collected in the Secretary's office, samples of advertising matter used by trust companies throughout the country, such as pamphlets, booklets, newspapers, advertisements, etc. Members are, therefore, requested to send to the Secretary, at 11 Pine street, such advertising matter as they may be using at this time so that they can be arranged in books or filing cabinets and be open to the inspection of trust company members who may call at the Secretary's office in New York.

# SAVINGS BANK SECTION

## WILLIAM HANHART.

By Lucius Teter, in the Chicago Banker of December 17, 1910.

William Hanhart is dead. Although some of us knew that he had not been well, we were all unprepared for his death. His cheerfulness in attending to responsibility was such that no one of us realized the physical strain entailed by the Los Angeles Convention trip, and his unselfishness was so real that his own discomfort was never considered.

After spending a few days at his office, upon his return from the convention, he made a trip to Baltimore for a conference with President Robinson about Savings Section matters. A few days after this he felt so disabled that he was compelled to go home, cheerfully announcing that he would be back again soon; but it was not to be. On Wednesday, December 7, he died, and Saturday afternoon, December 10, was buried at Greenwood Cemetery, Brooklyn. In addition to the immediate members of his family and friends, there were present several officers of the American Bankers Association and of the Savings Bank Section, every man of whom, regardless of how long or how short a time he had known Mr. Hanhart, had learned to love him.

It is impossible too write the history of any man's life, for we believe that in the real sense the history of a man's life never ends. It is the intangible in the lives of those who have done things that

count, which, after all, is the most important. This is particularly true of the life of Mr. Hanhart.

His business life was an active one, and there are many lasting evidences of the practical results of his work. But the impression which his high ideals have made upon bank men and others with whom he has come in contact, will ever remain the most potential result of his life.

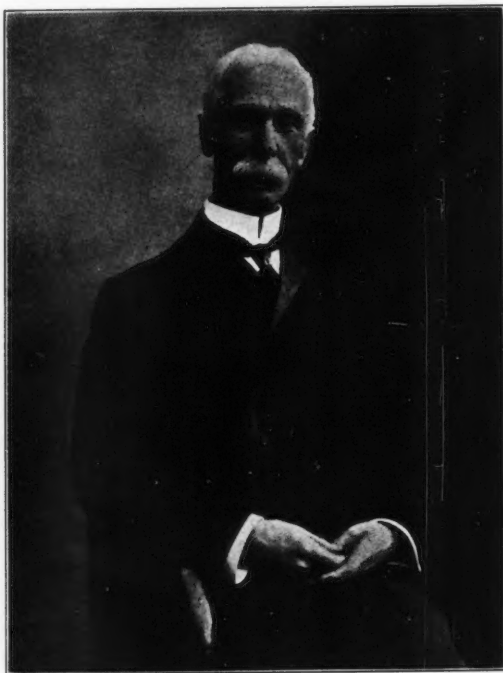
Mr. Hanhart was born in London in 1849. He was educated in the London grammar schools and in the Ecole Professionnelle, Mulhouse, Alsace-Lorraine. After some experience in a London counting house, he came to this country as a young man and was connected with cotton brokerage firms in New Orleans and New York, subsequently entering the well known foreign banking firm of Ladenburg, Thalmann & Co. While he was in the employ of this firm, he compiled some of the first large cable code books used in connection with stock

transactions abroad. Later he entered the comptroller's office of the Emigrant Industrial Savings Bank of New York, and was there for many years.

In 1902, Mr. Hanhart, with a small group of friends, who were led largely by his enthusiasm, organized the Savings Bank Section of the American Bankers Association, and it is in connection with this section that Mr. Hanhart has done his most enduring work. While the Savings Bank Section has never been a "one man" institution, I think that no one of the men who has been associated with Mr. Hanhart in connection with the Section would deny him the honor of having been its leading spirit throughout the years of its development, and few more splendid monuments to a man's faithful work could exist than the Savings Bank

Section of the American Bankers Association.

Mr. Hanhart approached problems of finance from the standpoint of a student, and in later years gave particular consideration to those questions relative to the savings business. He was a facile writer, and his articles on financial matters were much sought. Bankers throughout the country have profited by his careful study of the practical side of



WILLIAM HANHART.



savings bank problems. He was broad minded. Although he received much of his training under the Mutual Savings System of New York, he realized and appreciated the banking problems of every section of the country. His was the appeal of a man who looked upon the banking business as a profession; this made it natural for him to attract to him in the Savings Section, men who, as a rule, took his same serious and responsible attitude in reference to our business. No officer of this Section ever regarded his position as simply a hollow honor; no man was put upon a committee simply for "junketing" purposes, but all were led by the same ideals namely, that the Section afforded a distinct opportunity for service.

Mr. Hanhart had a tremendous capacity for work. No one save those who have been very close to the Savings Section will ever realize the volume of correspondence and other detail work which Mr. Hanhart looked after during the last few years of his life. Indeed, the strength and activities of this secretary inspired all who were associated with him to work hard, too. He handled his work in a systematic manner and was never too busy to give ample time to any matter requiring his attention, nor was he ever unprepared for any meeting in which he was to take a part.

He was patriotic. Although born in another country, he was unusually loyal to the United States. He believed in us and in our institutions, and I recall now an enthusiastic editorial which he wrote for the New York Sun after he had returned from our Denver Convention two years ago, in which he described the beauty and vital strength of the West.

To those of us who came into intimate contact with Mr. Hanhart, his life and work will ever be a source of inspiration. We are all better men because he lived.

Editorial by the late William Hanhart, published in the editorial columns of the New York Sun, October 7th, 1908.

#### This Land of Ours.

To the Editor of the Sun.

Sir: I have just returned from a short trip to Denver, where I attended the American Bankers Association's annual convention. We passed through a good many States—New York, Ohio, Indiana, Illinois, Iowa, Nebraska, Kansas and Colorado. Of all these Iowa was the most pleasing to me; it is a purely agricultural State, with practically no large cities within its borders. The tilling of the land was apparently very thorough, and the farms, with buildings and fences in fine order, and the sleek cattle, were a pleasure to behold. Some automobiles were

to be seen. Many of the farm houses have modern improvements of all sorts, and the farmers have been so successful during the last ten years that mortgages have practically all been paid off; farmers' sons and daughters go to college, and indeed I heard of many taking European trips.

What a wonderful country is this land of ours! Only two generations ago Iowa was but a pioneer State with a small population and heavily in debt.

The people in the State have a strong admixture of German blood. After all, as said so well by Francis Parkman, the great Germanic race, of which the Anglo-Saxon is a branch, is the leading one in the world. It is a masculine race, he says, peculiarly fitted for self-government. From historical training, it has inherited habits of reflection, forecast, industry and self-reliance, enabling it to adopt and maintain an invigorating system of self rule. Our early Western settlers chose rulers among themselves, made (practically) their own government, paid for it and supported their own clergy; they defended themselves and educated themselves, and submitted their actions to the guidance of common sense and reason, having the judicial faculty of seeing both sides of a question.

Colorado also compelled my admiration, but in a different way. For hours together we passed through enormous and limitless plains, nearly all cultivated, but only from time to time could a forlorn looking ranch be seen. Irrigation is what they need, and they are straining every nerve to obtain it.

Denver is a charming city of 200,000 inhabitants, very wide awake, the men enterprising, genial and hospitable, the women decidedly attractive—indeed, we saw considerable fashion and met many ladies who would have graced our own Fifth avenue, bedecked in the latest fashion, including "Merry Widow" hats and Directoire gowns.

The reception given to the convention delegates was very cordial, and the dinner given at the Denver Club was up to the best tradition of such affairs.

Every time I go West my love for this great country of ours increases. There is nothing in this wide world to compare with it. Europe with its art treasures and old world civilization (I revisited my fatherland a few months ago) is dull and commonplace compared with our vigorous life, our high ideals, our free activities in all branches of human endeavor. More and more do I feel thankful for the privilege of living in this great and glorious country, the foremost in the world, where, as some one has truly said, the skies are brighter, the grass greener, the trees nobler, the flowers sweeter, and the women (God bless them!) more womanly and attractive than in any other part of the world. God bless this dear, this sweet land of my adoption!

#### "Savings Bank Section Book of Printed Forms."

The book is handsomely bound in flexible seal, issued in a convenient loose-leaf style, and comprises over 600 of the most useful and typical forms used by the most progressive savings banks of the country; these forms were selected from a collection of over

20,000 blank forms on file at the Secretary's office, and bound up in about fifteen huge volumes.

The forms are reproduced at one-half their original dimensions, viz., one-quarter of the area. The third edition is for sale to non-member banks at \$18 per copy, and to members of the American Bankers Association at \$12 per copy. Orders will be received and promptly attended to by the Savings Bank Section, 11 Pine Street, New York City.

# CLEARING HOUSE SECTION

## NUMERICAL SYSTEM FOR TRANSIT DEPARTMENTS—MEETING OF TRANSIT MANAGERS IN CHICAGO.

By C. R. McKay, Manager Transit Department First National Bank, Chicago.

The numerical system of registering items in the Transit Department, which consists of using numbers instead of names to designate the endorser and also the drawees, has, within the last few years, been adopted by a great many banks in the principal banking centers of almost every section of the country. It has been the custom for each bank to work out its own individual system.

The first system introduced, which is undoubtedly the most satisfactory one, is the system of registering the items by batch numbers instead of the numbers of the banks from which the items are received. The items received from correspondents are divided into batches and the batches are numbered from "One" up. The transit items in each batch are listed together on the ordinary adding machine and the names of the correspondents from whom received are written opposite the amounts. The items are then endorsed and the number of the batch is included in the endorsement stamp, a new batch number being inserted in the endorsement stamp for each batch.

When the items are listed on the out-going transit letter the number of the batch is registered instead of the name or number of the endorser. When it is necessary to identify an item the copy of the out-going transit letter shows the number of the batch and the batch sheet shows the name of the correspondent from which the item was received. If there should be two or more items of the same amount in one batch then the correspondents' letters can be referred to, showing the names of the towns upon which the items are drawn, thus making the identification of any item complete.

The batch system may also be used for transit items deposited by local customers.

Another system provides for the use of numbered endorsement stamps for out-of-town correspondents and also for city customers. A list of arbitrary numbers is made up and city customers and out-of-town correspondents are furnished with endorsement stamps containing the numbers assigned.

There are various plans for assigning the numbers. One is to reserve the first several hundred or thousand numbers for city depositors, leaving the remaining numbers for out-of-town correspondents. Another plan is the reverse, reserving the small numbers for the out-of-town correspondents. Another plan assigns even numbers to city depositors and odd numbers to correspondents. Another numbering system provides city customers only with numbered endorsement stamps, using the batch system of regis-

tering as explained above for the out-of-town correspondents.

The Texas Numerical System for numbering banks which has been adopted in Texas provides for numbering banks in that state only. It consists of assigning a number to each bank in the State beginning with the number 501, the first 500 numbers being reserved for each bank's own city depositors. The bank numbers at present run up to 2,045. A numerical directory has been published, showing the names of the banks with their respective numbers. The State Secretary of the Texas Bankers Association assigns numbers to new banks not already numbered. This system has been in operation for some time and is declared to be satisfactory.

As there are so many different numerical systems in use and owing to the fact that banks have supplied numbered endorsement stamps to their correspondents without any system of uniformity of numbers it frequently happens that one correspondent may have as many as a dozen different numbers assigned to it by as many correspondents. This has caused complications and confusion and has interfered with the successful operation of the numerical system of registering in the transit department. It is principally to remedy this condition of affairs that a universal system of numbering has been advocated which would provide each bank with a definite number of its own.

Another reason advanced for the adoption of a universal numerical system is that the number assigned each bank could be printed on the face of the check. If this were done by the majority of the banks throughout the country the numbers could be used for designating the banks and towns on transit letters for items sent indirect. None of the numerical systems mentioned provide numbers for drawee towns except the Texas System. Under the numerical systems now in use the names of the towns are written by hand or filled in on the typewriter in describing items which are collected indirect.

In order to work out a universal numerical system for the entire country a meeting of the Transit Managers from a number of the principal cities of the country was called by the Clearing House Section of the American Bankers Association.

The meeting was held in Chicago December 12th and 13th, and was called to order by Mr. Ralph Van Vechten, Chairman of the Executive Committee of the Clearing House Section. Mr. Fred E. Farnsworth, General Secretary of the American Bankers Association, acted as temporary secretary.

In accordance with Mr. Van Vechten's suggestion that the meeting be placed entirely in the hands of the transit managers, Mr. J. W. Hoopes, Vice-President of the Austin National Bank of Austin, Texas, and Secretary of the Texas Bankers Association, was

elected Chairman, and C. R. McKay, Manager of the Transit Department of the First National Bank of Chicago, was elected Secretary.

The following were present:

C. H. Marston, of the National Shawmut Bank, Boston.

S. D. Bullock, of the First National Bank, Boston.

W. G. Schroeder, Secretary of the Continental & Commercial National Bank, Chicago.

C. R. McKay, of the First National Bank, Chicago.

J. A. Walker, of the Corn Exchange National Bank, Chicago.

Carl A. Palmer, of the First National Bank, Cleveland.

J. W. Hoopes, Vice-President, Austin National Bank, Austin, Texas.

C. J. Grant, of the American Exchange National Bank, Dallas, Texas.

Forrest Mathis, of the Commonwealth National Bank, Dallas, Texas.

Karl Woodward, of the Colorado National Bank, Denver, Colo.

George M. Hauk, of the First National Bank, Denver, Colo.

J. G. MacLean, of the Security National Bank, Minneapolis, representing Minneapolis and St. Paul.

Mauritz Pyk, of the Whitney-Central National Bank, New Orleans.

O. Howard Wolfe, of the Philadelphia National Bank, Philadelphia.

Brown A. Patterson, Assistant Cashier, Second National Bank, Pittsburgh.

H. C. Burnett, Assistant Cashier, National Bank of Commerce, St. Louis.

Fred E. Farnsworth, General Secretary of the American Bankers Association, and Secretary Clearing House Section.

Ralph Van Vechten, Chairman Executive Committee of the Clearing House Section of the American Bankers Association.

E. R. Fancher, President Clearing House Section of the American Bankers Association.

Geo. C. Power, John K. Ottley, Chas. A. Ruggles, members of Executive Committee of Clearing House Section of the American Bankers Association.

Mr. Farnsworth, on being called upon to explain the American Bankers Association numerical system, stated that about three years ago the Clearing House Section adopted a system of letters and numbers for designating banks in twenty-five of the principal cities. As each city was represented by a letter of the alphabet this system was limited to 26 cities and was therefore inadequate for use as a numerical system on account of its limitations.

The first system which was placed before the meeting for consideration consisted of dividing the United States into eight sections, using a letter of the alphabet to designate each section and allowing certain numbers for each State in each section, so that no number would contain more than four figures.

A second system was proposed which provided for designating each State by a number and the banks in each State by a number.

The relative merits of the systems proposed and the objections to both systems were thoroughly discussed, each member present taking part in the discussion. Those who objected to both systems were in favor of a plan to designate each State by a sym-

bol, monogram or abbreviation, to be followed by the individual number of the bank in each State.

A representative of the Burroughs Adding Machine Co. was questioned regarding the possibilities of constructing an adding machine with fifty keys for State abbreviations or numbers. He stated that such a machine could be made, but that it would take six rows of keys for the State abbreviations alone, using one key for each State. This would leave eleven rows of keys for the drawee and the amounts and would necessitate the use of a shuttle carriage in order to write the description required for transit letters.

As the plan of designating the States by abbreviations or letters would require a new type of adding machine which, owing to the shuttle attachment, would be slower in operation than the transit machine now in use, and as it might render useless the transit machines now in operation in many of the banks, this plan of designating the States by abbreviations or letters was abandoned.

The plan of dividing the United States into eight sections, using the first eight letters of the alphabet to designate the different sections, and allowing numbers up to 9999 for the numbers of the banks in each section, was not considered desirable for the following reasons:

Instead of grouping the States into sections it was thought best to give each State a number of its own as this method of numbering would not require so many figures for the numbers of individual banks in each State and the system could be arranged so that the banks in the principal cities upon which the majority of checks are drawn would have the small numbers. If letters were used for each section the keyboard and the mechanism of the adding machine would have to be changed, while if the States were numbered no change in either the keyboard or the mechanism would be necessary.

The question as to the effect the general adoption of the system of numbering each State and bank would have upon the analysis departments of the large collecting banks of the reserve cities was then discussed, for by the use of the number system States and banks would be listed by number instead of name on the letters received from correspondents and would have to be identified by the key of numbers in the numerical directory.

The objections to the number system in its relation to the analysis department were not serious and were soon overcome by a suggestion that an analysis of an account could be made more effectually from the items themselves than from the letters in which they were listed.

The plan of numbering the States and also the banks in each State by using the Clearing House numbers for the principal city in each State and supplying numbers for non-clearing banks, where they are not already numbered, leaving the remaining numbers for the balance of the banks in each State, was adopted, and a committee of the three representatives from the Chicago banks, consisting of W. G. Schroeder, of the Continental & Commercial National Bank; J. A. Walker, of the Corn Exchange National Bank, and C. R. McKay, of the First National Bank, was appointed to work out the details of the plan and report to the Clearing House Section Executive Committee not later than April 1st, 1911.

# STATE SECRETARIES SECTION

## ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS.

Organized November 13, 1902.

### OFFICERS.

W. F. KEYSER, Sedalia, Mo., *President*.  
N. P. GATLING, Lynchburg, Va., *First Vice-President*.  
L. A. COATE, Boise, Idaho, *Second Vice-President*.  
FRED. E. FARNSWORTH, New York, N. Y., *Secretary & Treasurer*.

### BOARD OF CONTROL.

J. W. HOOPES, Austin, Texas.  
WILLIAM J. HENRY, New York, N. Y.  
S. B. RANKIN, South Charleston, Ohio.  
HARRY YEAGER, Lewistown, Montana.  
C. H. WELLS, Salt Lake City, Utah.

### CONVENTIONS TO BE HELD IN 1911.

Jan. 18-19. Alabama .....Montgomery  
May. 16-18. Texas .....Dallas

### GROUP MEETINGS OF THE TEXAS BANKERS' ASSOCIATION.

Feb. 11. 5th Dist. ....Dallas  
Feb. 13. 4th Dist. ....Hillsboro  
Feb. 14. 3rd Dist. ....Austin  
Feb. 15. 2nd Dist. ....San Antonio  
Feb. 17. 1st Dist. ....Houston  
Feb. 20. 6th Dist. ....Brady  
Feb. 22. 7th Dist. ....Fort Worth

### ALABAMA BANKERS' ASSOCIATION. EARLY DATE FOR CONVENTION.

The 19th Annual Convention of the Alabama Bankers' Association will be held at Montgomery, January 18 and 19, 1911. The meeting was moved up four months earlier than usual in order to facilitate the passage of the Bank Code which has been prepared by the Committee and will be submitted to the legislature when it convenes January 10th. The program will be largely confined to a consideration of the bill.

The Montgomery Clearing House as host will provide the same character of social entertainment that has made Alabama Conventions so pleasant in the past. Owing to lack of time, invitations will not be sent out so widely as customary, but Alabama will welcome visiting bankers from all sections. The Association expects little difficulty in passing the proposed legislation which is so confidently counted upon, being one of the best bank supervision acts ever prepared in America.

## STATE BANKERS' ASSOCIATIONS, 1910-11.

### ALABAMA—ORGANIZED 1892.

*President*—W. L. LANCASTER, President Bank of Wetumpka, Wetumpka.  
*Vice-President*—FRANK S. MOODY, President First National Bank, Tuscaloosa.  
*Secretary-Treasurer*—McLANE TILTON, Jr., Cashier First National Bank, Pell City.

### ARIZONA—ORGANIZED 1903.

*President*—J. G. SPANGLER, Cashier Mesa City Bank, Mesa.  
*Vice-President*—R. B. BURMISTER, Cashier Phoenix National Bank, Phoenix.  
*Secretary*—MORRIS GOLDWATER, President Commercial Trust Co., Prescott.  
*Treasurer*—LLOYD B. CHRISTY, Cashier Valley Bank, Phoenix.

### ARKANSAS—ORGANIZED 1891.

*President*—GEORGE R. WOOD, Cashier Citizens Bank, Van Buren.  
*Vice-President*—A. D. FOSTER, Cashier Merchants & Planters' Bank, Pine Bluff.  
*Secretary*—ROBERT E. WAIT, President Citizens Investment & Security Co., Little Rock.  
*Treasurer*—F. M. SMITH, Cashier First National Bank, De Queen.

### CALIFORNIA—ORGANIZED 1891.

*President*—W. H. HIGH, Manager International Banking Corp., San Francisco.  
*Vice-President*—STODDARD JESS, Vice-President First National Bank, Los Angeles.  
*Treasurer*—J. J. FAGAN, Vice-President Crocker National Bank, San Francisco.  
*Secretary*—R. M. WELCH, Cashier Savings Union Bank of San Francisco.  
*Assistant Secretary*—F. H. COLBURN, 502 California Street, San Francisco.

### CANADIAN—ORGANIZED 1893.

*President*—E. S. CLOUSTON, General Manager Bank of Montreal.  
*Secretary and Treasurer*—J. T. P. KNIGHT, Montreal, Que.

### COLORADO—ORGANIZED 1902.

*President*—GUY L. V. EMERSON, Cashier Silverton National Bank, Silverton.  
*Vice-President*—FRANK N. BRIGGS, Cashier Interstate Savings Bank, Denver.  
*Secretary*—PRESTON T. SLAYBACK, Assistant Cashier Denver National Bank, Denver.  
*Treasurer*—ALBERT A. REED, President Mercantile Bank and Trust Co., Boulder.

### CONNECTICUT—ORGANIZED 1899.

*President*—M. H. GRIFFING, Cashier City National Bank, Danbury.  
*Vice-President*—JOSEPH H. KING, President American National Bank, Hartford.  
*Secretary*—CHARLES E. HOYT, Secretary-Treasurer South Norwalk Trust Company, South Norwalk.  
*Treasurer*—FREDERICK W. HALL, Cashier Poquonnock National Bank, Bridgeport.

### DISTRICT OF COLUMBIA—ORGANIZED 1901.

*President*—WILLIAM A. MEARNS, Lewis Johnston & Co., Washington.  
*First Vice-President*—H. H. MCKEE, Cashier National Capital Bank, Washington.  
*Second Vice-President*—GEORGE W. WHITE, President National Metropolitan Bank, Washington.  
*Secretary*—GEORGE E. FLEMING, Second Vice-President Union Trust Co., Washington.  
*Treasurer*—ELDRIDGE E. JORDAN, President Merchants & Mechanics' National Bank, Washington.



## FLORIDA—ORGANIZED 1889.

*President*—C. W. LAMAR, President American National Bank, Pensacola.  
*First Vice-President*—GEORGE W. SAXON, President Capital City Bank, Tallahassee.  
*Secretary-Treasurer*—GEORGE R. DE SAUSSURE, Cashier Barnett National Bank, Jacksonville.

## GEORGIA—ORGANIZED 1892.

*President*—W. W. OSBORNE, President Exchange Bank, Savannah.  
*Vice-Presidents*—ROBERT F. MADDOX, Atlanta; B. W. HUNT, Eatonton; J. D. NEILL, Columbus; C. J. HOOD, Commerce; J. A. SASSER.  
*Secretary*—L. P. HILLYER, Vice-President American National Bank, Macon.  
*Treasurer*—E. C. SMITH, Cashier Griffin Banking Company, Griffin.

## IDAHO—ORGANIZED 1905.

*President*—J. A. GIVENS, Vice-President Bank of Nampa, Nampa.  
*Vice-President*—J. E. BOWERMAN, President First National Bank, St. Anthony.  
*Secretary*—L. A. COATE, Boise.  
*Treasurer*—J. W. ROBINSON, Cashier Idaho Trust & Savings Bank, Boise.

## ILLINOIS—ORGANIZED 1880.

*President*—E. E. CHARTREE, of F. G. Farrell & Co., Jacksonville.  
*Vice-President*—B. F. HARRIS, Vice-President First National Bank, Champaign.  
*Secretary*—R. L. CRAMPTON, 1030-1032, The Rookery, Chicago.  
*Treasurer*—F. M. LOCKWOOD, Assistant Cashier City National Bank, Kankakee.

## INDIANA—ORGANIZED 1897.

*President*—CHARLES H. WORDEN, Vice-President First National Bank, Fort Wayne.  
*Vice-President*—EARL S. GWIN, President Second National Bank, New Albany.  
*Secretary*—ANDREW SMITH, Vice-President Capital National Bank, Indianapolis.  
*Treasurer*—RALPH PAYNE, Cashier People's National Bank, Rushville.

## IOWA—ORGANIZED 1887.

*President*—JOHN H. MCHUGH, President First National Bank, Sioux City.  
*Vice-President*—G. E. MACKINNON, Vice-President Mechanics' Savings Bank, Des Moines.  
*Secretary*—P. W. HALL, Des Moines.  
*Treasurer*—D. B. ALLEN, Cashier First State Bank, Arlington.

## KANSAS—ORGANIZED 1887.

*President*—W. H. BURKS, Cashier Security State Bank, Wellington.  
*Vice-President*—J. R. LINDBURG, President First National Bank, Pittsburg.  
*Treasurer*—M. H. MALOTT, Cashier Citizens' State Bank, Abilene.  
*Secretary*—W. W. BOWMAN, Topeka.

## KENTUCKY—ORGANIZED 1891.

*President*—J. N. KEHOE, President Mitchell, Finch & Co.'s Bank, Maysville.  
*Secretary*—ARCH. B. DAVIS, American National Bank Building, Louisville.  
*Treasurer*—HENRY D. ORMSBY, Cashier National Bank of Kentucky, Louisville.

## LOUISIANA—ORGANIZED 1900.

*President*—A. BRETON, Vice-President German-American National Bank, New Orleans.  
*Vice-President*—PAUL LISSO, President First National Bank, Alexandria.  
*Secretary*—L. O. BROUSSARD, President Bank of Abbeville, Abbeville.  
*Treasurer*—L. M. POOL, Active Vice-President Hibernia Bank & Trust Co., New Orleans.

## MAINE—ORGANIZED 1900.

*President*—C. H. SAWYER, Cashier First National Bank, Dexter.  
*Vice-President*—E. S. KENNARD, Cashier Rumford National Bank, Rumford Falls.  
*Secretary*—HASCALL S. HALL, Cashier Ticonic National Bank, Waterville.  
*Treasurer*—GEORGE A. SAFFORD, Cashier Northern National Bank, Hallowell.

## MARYLAND—ORGANIZED 1896.

*President*—JOSHUA W. MILES, President Bank of Somerset, Princess Anne.  
*Vice-President*—WALDO NEWCOMER, President National Exchange Bank, Baltimore.  
*Secretary*—CHARLES HANN, Assistant Cashier National Mechanics' Bank, Baltimore.  
*Treasurer*—WILLIAM MARIOTT, Cashier Western National Bank, Baltimore.

## MASSACHUSETTS—ORGANIZED 1905.

*President*—JOSEPH W. STEVENS, President First National Bank, Greenfield.  
*Vice-President*—E. ELMER FOYE, Cashier Old Colony Trust Company, Boston.  
*Treasurer*—FREDERIC C. NICHOLS, Treasurer Fitchburg Savings Bank, Fitchburg.  
*Secretary*—G. W. HYDE, Assistant Cashier First National Bank, Boston.

## MICHIGAN—ORGANIZED 1887.

*President*—EMORY W. CLARK, Vice-President First National Bank, Detroit.  
*First Vice-President*—C. J. MONROE, President First State Bank, South Haven.  
*Second Vice-President*—B. F. DAVIS, President City National Bank, Lansing.  
*Secretary*—H. M. BROWN, 1123 Ford Building, Detroit.  
*Treasurer*—LEON F. TITUS, Cashier First National Bank, Traverse City.  
*Attorney*—HAL H. SMITH, Ford Building, Detroit.

## MINNESOTA—ORGANIZED 1887.

*President*—L. A. HUNTOON, President First National Bank, Moorhead.  
*Vice-President*—D. S. CULVER, Vice-President National German-American Bank, St. Paul.  
*Secretary*—CHARLES R. FROST, 611 Bank of Commerce Building, Minneapolis.  
*Treasurer*—A. G. WEDGE, JR., Vice-President First National Bank, Bemidji.

## MISSISSIPPI—ORGANIZED 1889.

*President*—B. W. GRIFFITH, President First National Bank, Vicksburg.  
*Vice-President*—C. H. WILLIAMS, President Bank of Yazoo City.  
*Secretary*—RICH. GRIFFITH, Cashier City Savings & Trust Co., Vicksburg.

## MISSOURI—ORGANIZED 1891.

*President*—A. O. WILSON, Vice-President State National Bank, St. Louis.  
*Vice-President*—A. H. WAITE, President Joplin National Bank, Joplin.  
*Secretary*—W. F. KEYSER, Sedalia.  
*Treasurer*—R. R. CALKINS, Vice-President German-American National Bank, St. Joseph.

## MONTANA—ORGANIZED 1904.

*President*—JOSEPH KOUNTZ, President Commercial National Bank, Bozeman.  
*Vice-President*—A. L. STONE, Cashier State Bank, Dillon.  
*Secretary-Treasurer*—HARRY YARGER, Assistant Cashier First National Bank, Lewistown.

## NEBRASKA—ORGANIZED 1890.

*President*—GEORGE N. SEYMOUR, President Elgin State Bank, Elgin.  
*Secretary*—WILLIAM B. HUGHES, Manager Omaha Clearing House, Omaha.  
*Treasurer*—J. C. FRENCH, Cashier Stock Yards National Bank, South Omaha.

## NEVADA—Organized 1908.

*President*—JOHN HENDERSON, President Henderson Banking Co., Elko.  
*Vice-President*—WALTER J. HARRIS, Vice-President Farmers & Merchants' National Bank, Reno.  
*Secretary*—R. C. TURRITTIN, Cashier Nixon National Bank, Reno.  
*Treasurer*—FRED GROB, Cashier Farmers & Merchants' National Bank, Reno.

## NEW JERSEY—Organized 1903.

*President*—ADRIAN LYON, Vice-President Perth Amboy Savings Inst., Perth Amboy.  
*Vice-President*—H. H. POND, Secretary and Treasurer Plainfield Trust Co., Plainfield.  
*Treasurer*—W. M. VAN DUSEN, Assistant Cashier National Newark Banking Co., Newark.  
*Secretary*—WILLIAM J. FIELD, Secretary and Treasurer Commercial Trust Co. of New Jersey, Jersey City.

## NEW MEXICO—Organized 1905.

*President*—E. A. CAHOON, Cashier First National Bank, Roswell.  
*Vice-President*—D. T. HOSKINS, Cashier San Miguel National Bank, Las Vegas.  
*Secretary*—H. ERLE HOKE, Assistant Cashier Plaza Trust & Savings Bank, Las Vegas.  
*Treasurer*—J. B. HERNDON, State National Bank, Albuquerque.

## NEW YORK—Organized 1894.

*President*—LUTHER W. MOTT, Vice-President and Cashier First National Bank, Oswego.  
*Vice-President*—W. H. BENNETT, Vice-President and Cashier American Exchange Nat. Bank, New York City.  
*Treasurer*—H. C. MORGAN, President First Nat. Bank, Cuba.  
*Secretary*—WILLIAM J. HENRY, 11 Pine Street, New York City.

## NORTH CAROLINA—Organized 1897.

*President*—W. C. WILKINSON, Cashier Farmers & Merchants' National Bank, Charlotte.  
*Vice-Presidents*—J. C. BRASWELL, President Planters Bank, Rocky Mount; L. S. COVINGTON, Cashier Farmers' Bank, Rockingham; G. A. HOLDERNESS, President Farmers Banking & Trust Co., Tarboro.  
*Secretary-Treasurer*—WILLIAM A. HUNT, Cashier Citizens' Bank, Henderson.

## NORTH DAKOTA—Organized 1903.

*President*—WESLEY C. McDOWELL, Cashier First National Bank, Marion.  
*Vice-President*—KARL J. FARUP, Cashier First National Bank, Park River.  
*Secretary*—W. C. MACFADDEN, Cashier Commercial Bank, Fargo.  
*Treasurer*—JOHN TRACY, Cashier First Nat. Bank, Valley City.

## OHIO—Organized 1891.

*President*—GEORGE P. JONES, Cashier First National Bank, Findlay.  
*Vice-President*—W. P. SHARER, Vice-President First National Bank, Zanesville.  
*Secretary*—S. B. RANKIN, President Bank of South Charleston, South Charleston.  
*Treasurer*—FAY BALDWIN, Vice-President Highland County Bank, Greenfield.

## OKLAHOMA—Organized 1897.

*President*—J. B. FERGUSON, President Garfield Exchange Bank, Enid.  
*Vice-Presidents*—T. J. HARTMAN, Cashier Bank of Commerce, Sulphur; A. E. RAMSAY, Vice-President First National Bank, Muskogee.  
*Secretary*—W. B. HARRISON, Enid.  
*Treasurer*—J. M. BROWNING, Cashier First State Bank, Mill Creek.

## OREGON—Organized 1905.

*President*—ALEX MARTIN, JR., Cashier Klamath County Bank, Klamath Falls.  
*Vice-President*—R. L. DURHAM, Vice-President Merchants National Bank, Portland.  
*Treasurer*—J. A. THORNBURG, President Forest Grove National Bank, Forest Grove.  
*Secretary*—J. L. HARTMAN, of Hartman and Tompson, Bankers, Portland.

## PENNSYLVANIA—Organized 1894.

*President*—WILLIAM A. LAW, Vice-President National Bank, Philadelphia.  
*Vice-President*—A. J. HAZELTINE, President Warren Savings Bank, Warren.  
*Secretary*—D. S. KLOSS, Cashier First National Bank, Tyrone.  
*Treasurer*—HORACE G. MITCHELL, Cashier Peoples National Bank, Langhorne.

## SOUTH CAROLINA—Organized 1901.

*President*—WILSON G. HARVEY, President Enterprise Bank, Charleston.  
*Vice-President*—JOHN M. KINARD, President Commercial Bank, Newberry.  
*Secretary and Treasurer*—GILES L. WILSON, State Bank Examiner, Spartanburg.  
*Attorney*—A. M. LEE, Charleston.

## SOUTH DAKOTA—Organized 1886.

*President*—C. H. BARRETT, Cashier Vermillion National Bank, Vermillion.  
*Vice-President*—G. W. HART, President Merchants' Bank, Bryant.  
*Treasurer*—J. R. McKNIGHT, Cashier Pierre National Bank, Pierre.  
*Secretary*—J. E. PLATT, Cashier Security Bank, Clark.

## TENNESSEE—Organized 1890.

*President*—D. M. ARMSTRONG, Cashier Commercial Trust & Savings Bank, Memphis.  
*Vice-Presidents*—RALPH W. BROWN, Knoxville; B. F. ALLNUTT, Cedar Hill; J. D. McDOWELL, Memphis.  
*Treasurer*—NEILL WRIGHT, Cashier Bank of Huntingdon.  
*Secretary*—F. M. MAYFIELD, Nashville.  
*General Counsel*—W. D. WITHERSPOON, Nashville.

## TEXAS—Organized 1885.

*President*—W. H. FUQUA, President First National Bank, Amarillo.  
*Vice-Presidents*—Selected from each of the seven Group Organizations.  
*Secretary*—J. W. HOOPES, Vice-President Austin National Bank, Austin.  
*Assistant Secretary*—FRANZ C. GROSS, San Antonio.  
*Treasurer*—T. F. RODGERS, Cashier First National Bank, Collinsville.

## UTAH—Organized 1909.

*President*—W. S. MCCORMICK, President McCormick & Co. Bankers, Salt Lake City.  
*Vice-Presidents*—M. S. BROWNING, Vice-President First National Bank, Ogden; LORENZO N. STROHL, President First National Bank, Brigham.  
*Secretary and Treasurer*—CHAS. H. WELLS, Assistant Cashier Utah National Bank, Salt Lake City.

## VERMONT—Organized 1909.

*President*—CHARLES F. CHAPMAN, Treasurer Ottauquechee Savings Bank, Woodstock.  
*Vice-President*—F. H. FARRINGTON, Vice-President Rutland Savings Bank, Brandon.  
*Secretary*—FRED C. SPENCER, Assistant Cashier Baxter National Bank, Rutland.  
*Treasurer*—D. L. WELLS, Cashier First National Bank, Orwell.

## VIRGINIA—Organized 1893.

*President*—J. W. MILLER, Cashier People's Bank, Pulaski.  
*Vice-Presidents*—E. P. MILLER, Lynchburg; T. F. TILGHMAN, Norfolk; W. M. ADDISON, Richmond; R. G. VANCE, Waynesboro; J. W. BELL, Abingdon.  
*Secretary*—N. P. GATLING, Lynchburg.  
*Treasurer*—JULIEN H. HILL, Assistant Cashier National State Bank, Richmond.  
*Attorney*—GEORGE BRYAN, Richmond.

WASHINGTON—ORGANIZED 1899.

*President*—E. W. PURDY, President First National Bank, Bellingham.  
*Vice-President*—GEO. DONALD, President Yakima National Bank, North Yakima.  
*Secretary*—P. C. KAUFFMAN, (re-elected), Vice-President Fidelity Trust Company, Tacoma.  
*Treasurer*—C. C. RICHARDSON, Cashier National Bank of Cheney, Cheney.

WEST VIRGINIA—ORGANIZED 1895.

*President*—JAMES K. ONEY, Vice-President Huntington National Bank, Huntington.  
*Vice-President*—WYLLIE W. BEALL, President Commercial Bank, Wellsburg.  
*Secretary-Treasurer*—JOSEPH S. HILL, Cashier National City Bank, Charleston.

WISCONSIN—ORGANIZED 1892.

*President*—C. C. BROWN, President First National Bank, Kenosha.  
*Vice-President*—J. T. JOYCE, Vice-President Union National Bank, Eau Claire.  
*Secretary*—GEORGE D. BARTLETT, Suite 311, Caswell Block, Milwaukee.  
*Treasurer*—A. H. GROUT, Cashier First National Bank, Wausau.

WYOMING—ORGANIZED 1908.

*President*—J. L. BAIRD, Vice-President First National Bank, New Castle.  
*Vice-President*—IRA E. JONES, Cashier First National Bank, Thermopolis.  
*Secretary*—H. VAN DEUSEN, Cashier Rock Springs National Bank, Rock Springs.  
*Treasurer*—J. DEFOREST RICHARDS, President First National Bank, Douglas.

PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS.

Missouri Bankers Association,  
 Office of the Secretary.

Sedalia, Mo., Dec. 6, 1910.

\$100.00 REWARD!

A man claiming to be Taylor Brown (alias Tom Yoder), and answering the following description, is charged with defrauding a member of this Association by means of a forged check:

Name, Taylor Brown, alias Tom Yoder; residence, claimed former residence as Rosendale, Mo.; nativity, American; occupation, farm hand; age, about 25; weight, 135 to 140; complexion, dark; color of hair, dark; height, 5 feet 6 inches; build, medium; color of eyes, dark; style of beard, smooth shaven; probably wearing gray suit of clothes and gray overcoat.

For the apprehension and conviction of this man on the crime charged, the Missouri Bankers Association offers a reward of \$100.00; reward to remain in force for one year from date and to be paid under the rules of this Association. If located, arrest and wire the Sheriff of Clark County, Kahoka, Missouri.

\$50.00 REWARD.

The Missouri Bankers Association offers a reward of \$50.00 for the apprehension and conviction of a man signing his name as A. C. Arnold, who is charged with defrauding a member by means of a worthless sight-draft drawn on Allenberg & Co., a live stock commission firm of Chicago, which he claimed to represent. Reward to remain in force one year from date and to be paid under the rules of this Association. This man is described as follows:

Name, A. C. Arnold; occupation, cattle dealer; weight, 160 to 170; height, 5 feet 7 inches; color of hair, light auburn; color of eyes, probably blue; build, medium to heavy set; style of beard, mustache; color of mustache, light sandy. Dressed well; wore black stiff hat and long, dark overcoat.

If located, arrest and wire the Sheriff of Linn County, Linneus, Mo.

Iowa Bankers Association,  
 Office of the Secretary.

Des Moines, Dec. 7, 1910.

BULLETIN NO. 6.

Look out for F. O. Van Camp, alias J. E. Elliott, mentioned in our Bulletin No. 3. Described as 50 years old; slender, tall; left eye out, wears ground glass over it; sandy complexion; left arm sore or crippled. Last week he swindled parties in Waverly on forged checks with the name of William Galloway Co., of Waterloo, drawn on the Black Hawk National Bank. We want this man. Arrest him and wire secretary.

Party mentioned in Bulletin No. 5 as working Des Moines merchants, and also around Keokuk, was traced to Chicago, where he cashed a forged check on Citizens National Bank of Des Moines, at the Blackstone Hotel. We have again just heard from his work in Texas, and he is forging checks on two banks at Oskaloosa, Ia. Uses name of Campbell, Willett, Russell, Dillon, Mason, Lutz, Rogers, Bill and others. A bad one and we want him.

Look out for checks signed Wm. S. Smith and payable to John Fowler, drawn on the Helmer & Gortner State Bank of Mechanicsville. Such checks have been cashed at Muscatine, Clinton and Washington the past ten days. We have no description of the men, but wire us if any suspects appear at your bank.

These forgers sometimes make big jumps after obtaining money, but frequently return after a few weeks or months. If you will please keep all bulletins issued from this office on file, it may assist you in locating some swindler for us.

Burglars secured \$1,800 from the Farmers Bank of Garden City last week, and our detectives are now at work on the case. This is the first money burglars have taken from a member of the Iowa Bankers Association this year. Now is the time to place your burglary insurance. Have it written through the association and benefit both yourself and the association. You may want some depository bonds January 1. Ask us for information.

Arkansas Bankers Association,  
 Office of the Secretary.

Little Rock, Ark., Dec. 9, 1910.

WARNING.

The Bank of McCrory, McCrory, Ark., feeling that the banks of our State ought to be protected against frauds, sends us the following warning:

"A man by the name of George B. Thompson, claiming Lonoke as his home, appears to be touring the State for the purpose of soliciting funds for the erection of a memorial to ex-Governor Eagle. The man goes to a place, and if he finds someone he knows, works on his confidence by giving him his check for cash, and when the check is presented for payment it is turned down. The checks have been usually drawn on the Merchants & Planters Bank of England, Ark."

This information is given you in order that you may, so far as you can, protect your customers and yourselves against the operation of this party.

First National Bank,

Charlotte, N. C., Dec. 17, 1910.

A man carrying the name of L. M. Hunter and registering from Alliance, Ohio, is wanted in Charlotte, having passed out fraudulent checks on a customer of ours and others in town.

He is a man of pleasing address, about 6 feet tall, straight, and of good carriage, smooth shaven, dark brown hair, blue eyes, and has a smile at his command for all occasions. He talks in a low, even tone of voice; has fine teeth; one tooth gone on upper left side of jaw. He wears a long, dark gray overcoat and a black derby hat, alternating a gray with a dark blue suit.

He represents that he is looking for a good place

in which to locate a plant to manufacture tools where labor and other conditions are good. His general bearing is such as to inspire confidence.

Should a man answering to the above description present himself in your office, will you please wire us at once, not letting him have a hint of your suspicions

North Dakota Bankers Association,  
Office of the Secretary.

Fargo, N. D., December 22, 1910.

#### BULLETIN NO. 109.

You are hereby warned of fraudulent checks drawn on the First National Bank of St. Paul, signed Northwestern Construction Co., by Wm. Joneston, Supt., countersigned E. J. Wilson, P. M. These checks are numbered with a typewriter. The words Northwestern Construction Co. are typewritten, as well as November Pay Roll. The party attempting to use these checks has the appearance of a laboring man, is about 6 feet 1 inch in height, weighs about 220 pounds, black hair, black eyes and has the appearance of a drinking man.

We are notified of fraudulent checks drawn on the Citizens State Bank of Wheelock, signed W. E. Biggs.

We also have notice of forged checks signed P. Oberst, Treas. These checks are drawn on the Citizens State Bank of Stanley. The forger is described as follows: When last seen wore a round black hat, gray mackintosh coat, gray hair, is a smooth talker and claims to be a maker of chairs.

Certificate No. 453 issued by the Farmers State Bank of Lidgerwood in favor of H. P. Bernatz, is reported lost or stolen.

Look out for a party selling groceries by sample to farmers and large consumers. This party has made drafts on the firm he is taking orders for without authority from them and payment is, of course, refused.

Please notify this office if you can give any information in reference to any of the above.

Montana Bankers Association,  
Office of the Secretary.

Lewistown, Mont., Dec. 24, 1910.

#### WARNING NO. 107.

The following warning notice was just received from the Idaho Bankers Association:

Look out for party signing his name Norton Brown or N. M. Wrl, or other names, operating in Northern Idaho and Oregon. He attempts to get money by drawing drafts on different banks, first on Citizens Bank of Lake City, Iowa, afterwards several drafts on Lewiston National Bank, Lewiston, Idaho. He is a man 25 or 30 years old, about five feet four inches tall, slender build, slightly stooped, straight features, reddish hair, thick red moustache cropped

close, watery blue eyes and a slightly dissipated appearance. If located have him arrested and wire Lewiston National Bank, Lewiston, Idaho.

#### WANTED.

B. J. Sargent—Claims to represent Ruy Lopez Key West Cigars, No. 86 Fulton street, New York. At one time he did represent them, but was discharged on account of bad habits. Is drawing checks on Long Island, at Richmond, New York City, who state they are flooded with these checks from all over the country. Description: Is between 30 and 35 years old, about 5 ft. 7 in. high, weight 160 to 170 lbs., brown hair, and wore a blue serge suit, brown derby, new tan shoes, and wore a blue Masonic pin or button.

If found, arrest him and wire First National Bank, American Falls, Idaho.

Montana Bankers Association,  
Office of the Secretary.

Lewistown, Mont., Dec. 28, 1910.

#### WARNING NO. 108.

The following has just been received from the North Dakota Bankers Association:

We are notified of fraudulent checks drawn on the Citizens State Bank of Wheelock, N. D., signed W. E. Biggs.

We also have notice of forged checks signed P. Oberst, Treas. These checks are drawn on the Citizens State Bank of Stanley, N. D. The forger is described as follows: (When last seen wore a round black hat, gray mackintosh coat, gray hair, is a smooth talker and claims to be a maker of chairs.

Certificate No. 453 issued by the Farmers State Bank of Lidgerwood, N. D., in favor of H. P. Bernatz is reported lost or stolen.

Look out for party selling groceries by sample to farmers and large consumers. This party has made drafts on the firm he is taking orders for without authority from them and payment is, of course, refused.

Ohio Bankers Association,  
Office of the Secretary.

Columbus, Ohio, Dec. 1, 1910.

#### WARNING.

A man representing himself to be L. M. Hunter, posing as a promoter of a towel company, made a draft for \$1,000 on the Adirondack Trust Co. of Saratoga, N. Y., through an Alliance, Ohio bank; they in return giving him their pass book with amount of draft credited thereon. The draft was no good, and bankers are warned not to cash checks for strangers presenting as proof of deposit a bank pass book credited with amount named above.



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General Secretary American Bankers Association

THOMAS B. PATON, EDITOR

General Counsel American Bankers Association

W. W. WAINE, ASSOCIATE EDITOR

## WILLIAM HANHART.

The death of William Hanhart, Secretary of the Savings Bank Section of the American Bankers' Association, is a distinct loss to the banking fraternity. It was largely through Mr. Hanhart's enthusiasm and interest in banks and banking that the Savings Bank Section was organized in 1902 at New Orleans, Mr. Hanhart being one of the leaders in this movement and the first Secretary of the Section, which position he held until his untimely death. He was a student of finance and banking problems; thoroughly familiar with the intricate workings of a savings bank; resourceful and energetic, with an honesty of purpose which is sometimes found lacking in these times; he was a statistician; methodical and systematic, and his contribution to the literature sent out during the educational campaign carried on by the Savings Bank Section Committee against Postal Savings Banks was most valuable. He was kind-hearted to a fault; ever courteous, and with the dignity and bearing of an old-time gentleman. Mr. Hanhart was a comparatively young man, and he will be much missed by those intimately associated with him.

## JOHN J. P. ODELL.

During the month just closed there passed to the beyond John J. P. Odell, who was President of the American Bankers' Association in 1894. Mr. Odell was one of the prominent figures in banking in his time and during the period he was President of the Association. At that time he was President of the Union National Bank of Chicago. When that bank

was taken over by the First National Bank, Mr. Odell practically ceased his banking activities.

It is a distinct honor to be President of an organization the character of the American Bankers Association, and the Journal desires to pay a tribute to Mr. Odell who so ably filled this position. Although Mr. Odell belonged to an earlier period and was little known by the active bankers of today, he had many banker friends during his incumbency of the office.

In the thirty-five years of its existence the Association has had twenty-seven presidents, and of this number eleven have passed away.

## CLEARING HOUSE SECTION.

Less than three years ago this Section evolved a plan for the lettering and numbering of twenty-five cities and the Clearing House banks of those cities for the purpose of reducing the work in Transit Departments, anticipating that these letters and numbers would be used on remittance sheets in preference to writing out items in full. This proposition met with a fair measure of success in its use, but was of more benefit to the banking fraternity as a forerunner of various systems which have since been devised by the State of Texas and by the large banks in several cities whereby numerals are used on correspondents' endorsement stamps, and for numbering local customers of banks. These systems have been in use long enough to prove that the idea is a good one, resulting in a material saving in the Transit Department of the large banks of the country, especially those of the Middle West.

It has been apparent for sometime that the use of the numerous systems evolved would result in complications, and that a uniform plan should be devised which would be applicable to all of the banks of the country. With this in view, the Clearing House Section called a meeting of Transit Managers of several of the largest cities, in Chicago in November. It was attended by the brightest men in the business, in this particular line. Two days were spent in discussion and a plan finally adopted which is now being worked out in detail by a special committee appointed at this meeting.

In another portion of this issue will be found an article describing fully the system proposed, and what is ultimately expected to be accomplished through its adoption.

The Clearing House Section in this move has undertaken a work which should command the highest commendation; one which is bound to be of in-

calculable benefit to the Transit Departments of banks and will be the means of a great saving of time, labor and money. When the system is finally placed before the banks of the country, they are urged to give it unqualified support.

#### CREDIT MAN'S DIARY.

The National Association of Credit Men, 41 Park Row, New York, has issued a very handy volume entitled "The Credit Man's Diary, 1911," which, in addition to a memorandum page for every day in the year except Sundays, contains the National Bankruptcy Law, with Index; a list of Referees in Bankruptcy; Synopsis of Exemption, Bulk Sales, Chattel Mortgage, Mechanic's Lien, Attachment, Interest and other Laws; Analysis of Federal Corporation Tax Law and Miscellaneous Matters all of importance to Credit Men. There is also an index of the entire contents.

### DECLARATION

(WHICH PRECEDES CONSTITUTION AND BY-LAWS.)

In order to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance and from the discussion of subjects of importance to the banking and commercial interests of the country, and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs and laws which affect the banking interests of the entire country, and for protection against loss by crime, we submit the following Constitution and By-Laws for The American Bankers Association:

### ANNUAL DUES.

Private Bankers, and Banking Firms.....	\$10.00
Banks and Trust Companies, with less than \$100,000 capital and surplus.....	10.00
Banks and Trust Companies, with \$100,000 capital and surplus, and less than \$250,000.....	20.00
Banks and Trust Companies, with \$250,000 capital and surplus, and less than \$500,000.....	25.00
Banks and Trust Companies, with \$500,000 capital and surplus, and less than \$750,000.....	30.00
Banks and Trust Companies, with \$750,000 capital and surplus, and less than \$1,000,000.....	40.00
Banks and Trust Companies, with \$1,000,000 capital and surplus, and less than \$5,000,000.....	50.00
Banks and Trust Companies, with \$5,000,000 capital and surplus, and over.....	\$75.00
Dues for Savings Banks without Capital are based on Surplus or Reserve Fund, as per above schedule.	
Dues for Branch Banks without separate Capital specifically set aside therefor.....	10.00
Dues for Branch Banks with separate Capital are based on the above schedule.	

# OFFICERS AMERICAN BANKERS ASSOCIATION, 1910-1911.

## PRESIDENT:

F. O. WATTS, President First National Bank, Nashville, Tenn.

## FIRST VICE-PRESIDENT:

WILLIAM LIVINGSTONE, President Dime Savings Bank, Detroit, Mich.

## CHAIRMAN EXECUTIVE COUNCIL:

CHARLES H. HUTTIG, President Third National Bank, St. Louis, Mo.

## GENERAL SECRETARY:

FRED. E. FARNSWORTH, Eleven Pine Street, New York City.

## TREASURER:

ARTHUR REYNOLDS, President Des Moines National Bank, Des Moines, Ia.

## ASSISTANT SECRETARY:

WILLIAM G. FITZWILSON, Eleven Pine St., New York City.

## GENERAL COUNSEL:

THOMAS B. PATON, Eleven Pine Street, New York City.

## MANAGER PROTECTIVE DEPARTMENT:

L. W. GAMMON, Eleven Pine Street, New York City.

## OFFICERS OF SECTIONS.

### TRUST COMPANY SECTION.

#### PRESIDENT:

OLIVER C. FULLER, President Wisconsin Trust Company, Milwaukee, Wis.

#### FIRST VICE-PRESIDENT:

LAWRENCE L. GILLESPIE, Vice-Pres. Equitable Trust Co., New York, N. Y.

#### CHAIRMAN EXECUTIVE COMMITTEE:

F. H. FRIES, Pres. Wachovia Loan & Trust Co., Winston-Salem, N. C.

#### SECRETARY:

PHILIP S. BABCOCK, Eleven Pine Street, New York City.

### SAVINGS BANK SECTION.

#### PRESIDENT:

EDWARD L. ROBINSON, Vice-Pres. Eutaw Savings Bank, Baltimore, Md.

#### FIRST VICE-PRESIDENT:

ALFRED L. AIKEN, Pres. Worcester Co. Inst. for Sav., Worcester, Mass.

#### CHAIRMAN EXECUTIVE COMMITTEE:

R. C. STEPHENSON, Vice-Pres. St. Joseph Co. Sav. Bank, South Bend, Ind.

#### SECRETARY:

WILLIAM HANHART, Eleven Pine Street, New York City.

### CLEARING HOUSE SECTION.

#### PRESIDENT:

E. R. FANCHER, Vice-President Union National Bank, Cleveland, Ohio.

#### FIRST VICE-PRESIDENT:

GEORGE GUCKENBERGER, Pres. Atlas National Bank, Cincinnati, Ohio.

#### CHAIRMAN EXECUTIVE COMMITTEE:

RALPH VAN VECHTEN, Vice-Pres. Continental & Com. Nat'l Bank, Chicago, Ill.

#### SECRETARY:

FRED. E. FARNSWORTH, Eleven Pine Street, New York City.

### AMERICAN INSTITUTE OF BANKING SECTION.

#### PRESIDENT:

RALPH H. MACMICHAEL, Mellon National Bank, Pittsburg, Pa.

#### VICE-PRESIDENT:

LAWRENCE C. HUMES, First National Bank, Memphis, Tenn.

#### CHAIRMAN EXECUTIVE COMMITTEE:

BRANDT C. DOWNEY, Cashier Continental Nat'l Bank, Indianapolis, Ind.

#### SECRETARY:

CHARLES H. MARSTON, National Shawmut Bank, Boston, Mass.

#### TREASURER:

RENNIE J. TAYLOR, Citizens' & Southern Bank, Savannah, Ga.

#### EDUCATIONAL DIRECTOR:

GEORGE E. ALLEN, Eleven Pine Street, New York City.

### STATE SECRETARIES' SECTION.

#### PRESIDENT:

W. F. KEYSER, Secretary Missouri Bankers' Association, Sedalia, Mo.

#### FIRST VICE-PRESIDENT:

N. P. GATLING, Secretary Virginia Bankers' Association, Lynchburg, Va.

#### SECOND VICE-PRESIDENT:

L. A. COATE, Secretary Idaho Bankers' Association, Boise, Idaho.

#### SECRETARY-TREASURER:

FRED. E. FARNSWORTH, Eleven Pine Street, New York City.

## REGISTRATION.

THE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of December:

Chas. N. Harris, Cashier City National Bank, Gloversville, N. Y.

Mrs. Chas. N. Harris, Gloversville, N. Y.

F. H. Fries, President Wachovia Loan & Trust Co., Winston-Salem, N. C.

C. A. Lyford, Waverly, N. Y.

Fred W. Hyde, Cashier National Chautauqua County Bank, Jamestown, N. Y.

F. R. Brocklebank, Solicitor Money Magazine, Pittsburg, Pa.

Charles B. Chapman, Treasurer Chelsea Savings Bank, Norwich, Conn.

A. C. Jobes, Vice-President First National Bank, Kansas City, Mo.

G. Clarence Phillips, Dominick and Dominick, New York, N. Y.

C. J. Ahern, Director First National Bank, Dwight, Ill.

M. H. Griffing, President Connecticut Bankers Association, Danbury, Conn.

Lucius Teter, President Chicago Savings Bank and Trust Co., Chicago, Ill.

E. L. Robinson, Vice-President Eutaw Savings Bank, Baltimore, Md.

G. Byron Latimer, President First National Bank, Rockville Centre, N. Y.

T. J. Keenan, President Isle of Pines Bank, Neuva Gerona, Isle of Pines.

D. L. Case, Michigan Investor, Detroit, Mich.

F. W. Ellsworth, New York, N. Y.

E. R. Mills, Los Angeles, Cal.

Chas. A. Crist, Walden, N. Y.

E. K. Smith, Vice-President Commercial National Bank, Shreveport, La.

Mrs. E. K. Smith, Shreveport, La.

R. A. Demarest, National Bank of Walden, Walden, N. Y.

G. G. McCausland, Vice-President First National Bank, Boston, Mass.

A. W. Jones, Accountant Chartered Bank of India, Australia and China, New York City.

## DOCUMENTS FOR DISTRIBUTION.

The Association has on hand quite a quantity of printed matter appertaining to the work of the Bills of Lading Committee, which will be sent to such members as may desire same if they will notify this office. The list is as follows:

New Uniform Bills of Lading.

Constitutionality of Proposed Act (H. R. 14934) relating to Bills of Lading.

Pennsylvania Speech—L. E. Pierson.

Little Rock, Arkansas, Speech—Thomas B. Paton.

Jamestown, Virginia, Speech—Thomas B. Paton.

Oklahoma Speech—Evans Woollen.

Report of Committee to 1908 Convention at Denver, with Appendices.

Report of Committee to 1909 Convention at Chicago, with Appendices.

Proceedings of Joint Bill of Lading Conference between bankers, carriers, shippers, etc., held at Chicago, September, 1909.

A quantity of the following currency documents is on hand in the Secretary's office. If any of our members want copies with which to do educational work we will be pleased to send them on advice to that effect:

Report of The Currency Commission of the American Bankers Association.

Report of Currency Commission of American Bankers Association, made at a meeting held at Chicago, Saturday, January 18, 1908.

Statement of Currency Commission of American Bankers Association, presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor "Bankers Magazine."

Address of Hon. Charles N. Fowler, Chairman Committee on Banking and Currency, on the Financial Situation, before The Illinois Manufacturers' Association, at Chicago, December 10, 1907.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Ill., before the annual meeting of Group Two of the Bankers Association of the State of Illinois, held at Peoria, June 11, 1908.

Report of Committee on Banking and Currency on the "Issue and Redemption of National Bank Guaranteed Credit Notes," Fifty-ninth Congress, Second Session, 1906-7.

Report of Special Committee, Trust Company Section, September 13, 1904, on the Classification of Legal Decisions relating to Safe Deposit Companies. Rules and Forms.

Address by Jordan J. Rollins before the Trust Company Section, September 14, 1905, on "The Protection of Trust Companies Acting as Transfer Agents and Registrars."

Address by Daniel S. Remsen before the Trust Company Section, September 15, 1909, "Post-Mortem Administration of Wealth."



# LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

## CAMPAIGN FOR LEGISLATION.

With over forty State legislatures holding sessions during 1911, a large majority of which convene in January, an active and aggressive campaign has been planned for the promotion of uniform legislation governing instruments of credit and of adequate legislation to better protect banks against a number of frauds and crimes as well as to make safer a certain class of banking transactions. Eight separate pamphlets have been prepared by General Counsel and approved by the Law Committee of the Association, containing drafts of proposed laws upon the following subjects:

1. False Statements to obtain Credit.
2. Derogatory Statements affecting Banks.
3. Checks or Drafts without Funds.
4. Burglary with Explosives.
5. Liability for payment of Forged or Raised Checks.
6. Payment of Deposits in Two Names.
7. Payment of Deposits in Trust.
8. Competency of Notaries of Banks and other Corporations.

In addition to the draft of proposed law, each pamphlet contains a statement showing the necessity or desirability for the enactment of the measure and a list of the States wherein the same, or a similar law, is already in force. These pamphlets have been forwarded to the Secretaries and Legislative Committeemen of State Bankers' Associations in all the States where legislatures meet during 1911, omitting, of course, drafts of laws that are already in force in the respective States. Requests for drafts of certain of these laws, received directly from members of the legislatures in a number of States who recognize the desirability of such legislation, have also been complied with.

In addition, drafts of the Uniform Negotiable Instruments Act, the Uniform Warehouse Receipts Act and the Uniform Bills of Lading Act have been forwarded to Secretaries of Bankers Associations and to others interested in such legislation in States where such laws have not yet been enacted.

To judge from the many requests from bankers (and legislators as well) for drafts of laws upon these various subjects, received prior to the completion of the pamphlets, and from the enthusiasm evidenced for the promotion of such legislation, the outlook is certainly favorable for a large number of beneficial enactments during the current year.

The Committee on Bills of Lading also look for the passage by the United States Senate at this Session of the Association measure on Bills of Lading (the Stevens bill) which passed the House last June by an almost unanimous vote. Every member of the Association has already been circularized on this subject and requested, to quote from the Com-

mittee circular, to "write your Senator. Tell him what you want and why you want it, express it in your own words and as forcefully as possible and do it now."

## PROPOSED BANKING LAW FOR ALABAMA.

At the next session of the Alabama legislature which convenes January 10th, there will be introduced a comprehensive bank bill, to be entitled, "An act to create a banking department of the State of Alabama and through this department to regulate, examine and supervise banks and banking and to punish certain prohibited acts relating thereto."

Alabama now has a law defining the powers of banking and trust companies, with special provisions for their examination and regulation, but the proposed bill is designed to make the system of regulation more complete and effective. The bill has been prepared by a committee of the Alabama Bankers' Association and embodies many of the best provisions to be found in the banking laws of the most progressive States, and some new features. Its effect, if enacted, will be to promote honest and conservative banking and to lessen the expense of winding up the affairs of any institution found to be insolvent.

The Banking Department is charged with the execution of the laws relating to all engaged in banking and its chief officer will be a Superintendent of Banks, appointed by the Governor and confirmed by the Senate. The Superintendent is empowered to appoint examiners, not exceeding three, and one office assistant. There is also created a Banking Board, to consist of the Superintendent and two members appointed by the Governor, to whom all cases of impairment of capital, irregular or unsafe practices, or non-compliance with any requirement of law, are to be submitted by the Superintendent and whose function it is to direct the Superintendent to take charge of the institution when occasion warrants and retain possession until resumption of business is permitted or to liquidate the bank's affairs under full and detailed provisions of the law. The Superintendent is also empowered to liquidate the affairs of a bank which has violated any provision of the act, upon request of a majority of the board of directors, without calling any meeting of the Banking Board.

Without attempting any detailed analysis of all the provisions of the proposed law, the system of examination and report provided is most effective, as well as the restrictions upon unsafe banking. The bill provides for a minimum paid in capitalization, graded according to population, to be not less than \$25,000 in cities of 2,500 or more, \$15,000 where the population is more than 1,000 and less than 2,500, and \$10,000 in towns of 1,000 or less inhabitants, based on the preceding census.

Before a bank can become incorporated, notice of intention to organize must be published, affidavits must be made by the proposed stockholders of their bona fide intention to become such, and provision is made for the filing of objections and full investigation by the Superintendent before giving his approval.

The establishment both of private banks and of branch banks is regulated and the Superintendent given full power of approval or refusal in connection therewith, but his acts are subject to judicial review and mandate.

A new feature of the proposed law is the provision for issue of clearing house certificates by solvent banks in case of emergency, which is to be permitted by general order of the Superintendent. Such certificates may be issued to creditors other than in the ordinary course of business, payable at a future day, not more than ninety days from date of issue, to be secured by deposit of approved good and solvent paper or security, and must be retired upon general order of the Superintendent according to provided requirements. Provision is made for an appraising committee, their qualifications and duties, the deposit of securities with a selected person or corporation as trustee, certification of clearing house certificates by the trustee, release of securities by substitution or surrender of paid and cancelled clearing house certificates, sale of securities upon default, and other necessary requirements.

The proposed bill contains a number of penal provisions for those who violate the act.

#### THE VALIDATION OF EXPORT COTTON BILLS.

The White Sulphur Springs agreement for the validation of export cotton bills, effected in July last between a sub-committee of bankers representing this Association and a committee of officials representing a large number of cotton-carrying roads, copy of which was published in the Journal for August (see pages 79 and 80) has not worked out, in all cases, as satisfactorily as was hoped. The following preamble and resolution adopted on December 9th by the sub-committee of the committee on bills of lading of this Association, shows the present attitude of the sub-committee upon the subject. This development of the situation would indicate that the best regulation of this troublesome subject is by act of Congress imposing upon carriers a responsibility for the possession of goods listed in bills of lading signed by their authorized agents and the position of the advocates of the Stevens bill, which has this end in view, has been greatly strengthened by the President's message to Congress in which the necessity for protection of bona fide holders of bills of lading by Congressional enactment is clearly and positively set forth. The preamble and resolution follow:

"At a meeting of the sub-committee of the Bill of Lading Committee of the American Bankers' Association, held December 9th, 1910, the following preamble and resolution were adopted:

"Whereas, it has come to the knowledge of this Committee that it is the common practice of railways operating in the cotton producing regions West of the Mississippi River to validate through order notify bills of lading for export cotton on local re-

ceipts of compress and warehouse companies, other than loading certificates; which was not contemplated by the White Sulphur Springs agreement of July 19th, 1910; and

"Whereas, it is acknowledged by certain Western railway lines that they do not in every instance require the actual possession of cotton or of the loading certificate therefore certifying to the car numbers and initials as provided in the said White Sulphur Springs agreement before issuing their validated bills of lading for cotton; and

"Whereas, it is the understanding of this Committee that bills of lading so issued do not in every instance protect the subsequent holder or negotiator thereof in good faith against loss thereon, nor insure to him in such cases right of recourse and recovery against the carrier for having irregularly issued and validated bills of lading; and

"Whereas, certain railway companies operating in the cotton producing region East of the Mississippi River claim that the aforesaid practice on the part of the Western lines is injurious to their business to such an extent as to cause them to withdraw from the aforesaid White Sulphur Springs agreement; and

"Whereas, certain of the aforesaid Eastern lines have given notice of their intention to withdraw, and have withdrawn, from the aforesaid agreement, and that the said Eastern lines are validating their export cotton bills in the same manner as the Western lines; and

"Whereas, this Committee is informed, and has reason to believe, that other railway lines operating East of the Mississippi River have, for similar reasons, without notice to this Committee, violated, and that they are violating, the aforesaid White Sulphur Springs agreement in the manner aforesaid; and

"Whereas, this Committee believes that the financing of the movement of export cotton demands for the protection of all concerned, that the said White Sulphur Springs agreement shall be strictly carried out in spirit and in letter by all cotton carriers, whether they were parties to the said agreement or not; and

"Whereas, any exception or deviation from the White Sulphur Springs agreement of validation must, of necessity, impair the whole system of validating export bills of lading and destroy the protection which such validation is intended to afford to those persons and institutions giving faith and credit to cotton bills of lading; therefore be it

"Resolved, That this Committee cannot conscientiously continue to recommend the acceptance by foreign bankers of drafts drawn against bills of lading for export cotton unless such bills of lading are issued strictly in accordance with the White Sulphur Springs agreement, and that the validation certificate attached thereto shall have stamped thereon a statement to that effect signed by the validating agent of the issuing railway company."

#### LIABILITY OF BANKS ON FORGED BILLS OF LADING.

On Wednesday, December 21st, a somewhat unexpected decision was rendered by Mr. Justice Neuberger of the New York Supreme Court in the case of Springs & Co. against the Hanover National Bank, the court at the close of the trial directing a verdict for the plaintiffs for \$39,000, and stating that he would file an opinion two weeks hence.

The case is the first one which has arisen out of the tremendous cotton bills of lading forgeries of last April in which the firms of Knight, Yancey & Co. of Decatur, Ala., and Steele, Miller & Co., of Corinth, Miss., were involved. Drafts with purported bills of lading for cotton attached were issued in great number and amount, many of which were negotiated

through New York banks and, after the drafts were paid, it developed that the bills of lading were forged.

The action by Springs & Co. was brought on the theory that the indorsement by the First National Bank of Decatur, Ala., which first discounted the draft, vested title in the Hanover National Bank and that when the Hanover National Bank collected the money, it impliedly warranted the genuineness of the bill of lading attached to the draft. Judge Neuberger ruled that the payment of the draft by Springs & Co. to the Hanover National Bank was made through the mistaken belief that the bill of lading was genuine and that Springs & Co. were entitled to recover the money paid to the Hanover National Bank, when they discovered that the bill of lading was a forgery, even though the bank was an innocent party.

If this decision was to be sustained by the higher courts, it would be matter of serious concern to bankers, not alone because of the tremendous liability it would involve in connection with the past cotton frauds, but also in its application to future transactions. But the entire trend of American judicial decision is the other way. The theory that a bank which owns and collects from the drawee, a genuine draft to which is attached a forged or otherwise worthless bill of lading as security, impliedly warrants the security to the payor, is nothing more than the exploded warrantor doctrine, so-called, which was first proclaimed by the court of civil appeals of Texas in the year 1898, in the case of *Landa, v. Lattin*, and subsequently repudiated by the Supreme Court of Texas in another case and which, following the *Landa* case, was declared by the Supreme Court of North Carolina in *Finch v. Gregg*, and afterwards also repudiated by that court. While it has also been established in the States of Alabama and Mississippi by Supreme Court decision, a number of Supreme Courts of other States have since refused to follow the doctrine of the *Landa* case, holding it unsound in principle.

The Supreme Court of the United States is also on record, directly to the contrary of the decision now rendered in the *Springs* case. In *Hoffman v. Bank*, 12 Wall. 181, that court said: "Where bills of exchange were drawn, accompanied with forged bills of lading, and were discounted by a bank, and subsequently accepted and paid by the acceptors, then cannot recover back from the bank the money paid by them, on the ground of the forgery of the bills of lading, of which the bank was ignorant at the time of their discount." And in the later case of *Goetz v. Bank*, 119 U. S. 551, in making a similar decision, the court said: "A bank in discounting commercial paper does not guaranty the genuineness of a document attached to it as collateral security. Bills of lading attached to drafts drawn as in the present case, are merely security for the payment of the drafts."

Unless the higher courts of New York, therefore, affirm the decision in the *Springs* case, which would hardly seem likely, there is no occasion for alarm because of the present decision.

Apart from judicial law, and in the field of legislation, the same non-liability of banks for the genuineness of bills of lading, attached as security to discounted drafts, to the drawees who pay such

drafts, is provided. In the Uniform Bills of Lading Act, which has already been passed in Maryland and Massachusetts, Section 37 provides:

"A mortgagee or pledgee, or other holder of a bill for security who in good faith demands or receives payment of the debt for which such bill is security, whether from a party to a draft drawn for such debt or from any other person, shall not be deemed by so doing to represent or to warrant the genuineness of such bill, or the quantity or quality of the goods therein described."

In the state of Florida, also, Section 3100 of the General Statutes of 1906 provides:

"Whenever any goods, wares or merchandise shall be shipped into or out of this State, or between points within the limits of the State, and the bill of lading or other evidence of shipment thereof shall be attached to, or transmitted with any commercial paper, for the price or purchase money of such goods, or any part thereof, the collector or holder of such commercial paper shall not under any circumstances, except by express contract in writing, be held to be the warrantor of the quality of quantity or title of the goods, wares or merchandise represented by the bill of lading or other evidence of shipment."

The Florida statute does not expressly cover genuineness of the bill of lading, but it is instructive on the general subject.

#### THE HAGUE CONFERENCE ON BILLS OF EXCHANGE.

The report of Mr. Charles A. Conant, American delegate to the International Conference on Bills of Exchange which was held last summer at The Hague, has been sent to Congress by Secretary Knox. Mr. Conant states, in summing up the results of his mission, that the Conference adopted for consideration by the powers taking part, a complete draft of a proposed international convention and a draft of a proposed uniform law on bills of exchange. The delegates of Great Britain and the delegate of the United States were not able to agree to the advisability of adopting the uniform law in their respective countries, and explained the reasons fully on two different occasions in the plenary sessions of the Conference. The American delegate signed the protocol with a reservation referring to the reasons for non-concurrence which had been thus set forth in plenary session.

Obviously, the report declares, it does not follow, from the inability of Great Britain and the United States to approve the Convention and draft of a law in full, that they are without interest in the form and requirements of the uniform law and its possible adoption by other States. In spite of the attitude of reserve taken by the American delegate, the three points upon which the greatest emphasis was laid in the American memorandum submitted to the Conference, were embodied in the proposed uniform law. These were:

I. That the form and manner of protest of a dishonored bill of exchange shall conform to the law of the country where payment of the bill is provided for and where dishonor occurs.

II. That protest of a bill of exchange for non-acceptance or for non-payment shall constitute a valid protest when made on the first day after dishonor, and shall be binding upon all parties who would be bound by protest on any other day.

III. That when a bill is presented for ac-

ceptance, the drawee shall have the right to reserve his decision upon acceptance until the following day, but may accept on the day of presentment.

It is a consideration of high importance for this country, moreover, that if the proposed uniform law were universally adopted, except by Great Britain and America, the systems of commercial law with which international bankers would have to deal would be reduced substantially to two in place of the many systems with which they now have to deal. Thus the desirable objects of uniformity, certainty and facility in knowing the law would be greatly promoted.

The reasons why Great Britain and the United States were unable to concur, without reservations, in the protocol of the Conference, did not arise from lack of sympathy with the objects of the Conference, but from certain fundamental differences between Anglo-Saxon and Continental law and from the fact that comparative uniformity of law has been brought about during the past thirty years in Great Britain and her dependencies and in various States of the American Union by long and arduous efforts, which would be largely nullified, with the result of renewed confusion, if it were attempted to substitute a complete new code for the laws which have been thus secured.

#### Attitude of the United States and Great Britain.

It was the purely recommendatory character of the final protocol which permitted the delegate of the United States to affix his signature. One of the motives for adopting the recommendatory form was, according to statements made outside the official proceedings of the Conference, to secure the adhesion of the United States and Great Britain. It was well understood at this stage of the Conference that such adhesion would only be given under the reservations which had been set forth by the two delegations, but it was apparently felt by the majority that even such an adhesion ad referendum would have a more favorable influence in promoting the objects of the Conference than the refusal of the American and British delegations to sign.

At no stage of the Conference was there any resentment against the attitude of the two Anglo-Saxon powers, because the statements submitted by their representatives made clear to the representatives of other powers, on the one hand, the obstacles of a legal and technical nature which precluded the substitution of a complete new code for existing British and American laws, and on the other hand, the amount of effort which had already been expended in securing comparative uniformity among the English-speaking peoples.

On the part of both of the Anglo-Saxon powers, the differences in the character of their fundamental law would make agreement difficult under any circumstances upon a law absolutely uniform with that of the Continental powers. Apart from other differences, the influence of adherence to a code adopted many years ago in some of the Continental countries and the English system of development of the law by judicial decision is important. In the uniform law several of these differences have been removed in favor of the English system; but these changes in

the status of a bill of exchange on the Continent are not carried far enough, even if generally adopted, to permit the Anglo-Saxon States to accept in exchange the more rigid rules in other respects which would continue to form a part of the Continental system.

On the part of the United States, as stated by their delegate in the Conference, there were several additional reasons why it would be difficult, if not impossible, for the Federal Government to enter into a Convention for a uniform law. Under the existing interpretation of the Constitution, Congress has not assumed the right to legislate in regard to bills of exchange; and it was hardly competent for the delegate of the United States to suggest that such a power would be assumed in future in view of existing policy and judicial decisions.

As pointed out by the American delegate in his final statement of July 21st, Great Britain and the American States had already taken the initiative in seeking to bring about a uniform law many years before the invitations were issued to the recent Conference. The Bills of Exchange Act of Great Britain was enacted in that country in 1882, having been drafted under instructions from the Institute of Bankers and the Associated Chambers of Commerce by Sir Mackenzie Chalmers, who was himself one of the most eminent delegates to the recent Conference. So successful was the English Act in codifying the law and removing doubts and difficulties that it has been adopted in Canada, Australia, and many smaller countries under British jurisdiction, and became the model of an effort made in the United States to introduce a similar law among the States. In 1895 the Conference of Commissioners on Uniformity of Laws, which met that year in Detroit, instructed the Committee on Commercial Law to have prepared a codification of the law relating to bills and notes. The matter was referred to a subcommittee, consisting of Lyman D. Brewster, of Connecticut; Henry C. Wilcox, of New York, and Frank Bergen, of New Jersey. John J. Crawford, of New York, was employed by them to draw the proposed law. When completed, it was submitted to experts for criticism and, with various amendments, was adopted by the Conference of Commissioners on Uniformity of Laws which met at Saratoga in August, 1896.

From this draft, supported by the efforts of the Commissioners on Uniformity of Laws in the various States, by the American Bankers Association and by other bodies, has resulted the enactment of the law, known in America as the "Negotiable Instruments Law," in thirty-six States and two other jurisdictions under American authority. The States in which the law is in force are:

Alabama, Arizona, Colorado, Connecticut, Florida, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

The other American jurisdictions in which the law is in force are the District of Columbia and the Hawaiian Islands.



The law was not enacted in some of these States without some modifications, but these modifications were so trivial as not to affect the general principle of the uniformity of the law of negotiable instruments.

These facts are recited here, and were brought to the attention of the Conference, in order to show the long and arduous labor which had been performed in America to bring about uniformity and the difficulties which would be experienced in revoking what had been done in order to substitute a new law. Upon this point the declaration made, on behalf of the American Government, at the third plenary session of the Conference, was as follows:

"Obviously, in view of these considerations, the delegate of the United States would assume a weighty responsibility, and one difficult to carry into execution in effective form within a reasonable time, if he should join in a recommendation to establish a new code for negotiable instruments as a substitute for existing laws, or if he should recommend important and radical changes in the practice which has grown up under these laws.

"From the standpoint of American bankers and merchants and of the Government of the United States, the adoption of such a policy would involve long continued confusion during the period required to substitute the new code for that which it has already required thirteen years to enact in thirty-six States and would involve in addition the difficulties of interpretation by the courts which always arise in the application of a new measure, departing radically from the language and effect of previous laws and judicial decisions."

#### Analysis of the Uniform Law.

In considering the character of the proposed uniform law, it should be borne in mind that there are many points in which Anglo-Saxon and Continental law are already alike in their operation and effects. So universal has become the use of the bill of exchange in international trade, and so substantially similar are the requirements for a sound and negotiable bill, that bills issued in all parts of the world already circulate freely in the financial centers and give rise to but few inconveniences. Indeed, it might probably be said that more than 99 per cent. of the bills entering into international commerce are paid at maturity and therefore raise no doubtful questions of legal interpretation or of the rights of intermediate parties between the drawer and the payee. It is with the few cases where payment is not promptly made that the law has to concern itself chiefly, in order to make certain that every bill which is drawn shall so conform to the law, and that every step taken in regard to it shall so conform to legal requirements, that there can be no loss or material delay to the holder resulting from failure to comply with the law. Even where doubt as to payment is not involved, however, some questions of form arise which could be simplified by a rule of uniformity.

It will not be attempted here to enter upon a complete analysis of the uniform law submitted by the Conference to the consideration of the States taking part. This would be to a large extent merely

to traverse the admirable and clear exposition of its provisions made by the Rapporteurs, which appears in the appendix to this report. An analysis from the point of view of English law is made in the report of the British delegation and a parallel presentation of the paragraphs of the proposed uniform law with the corresponding provisions of the British law has been made by Sir Mackenzie Chalmers. Both of these documents and the analysis of the uniform law made by the delegation of France appear also in the appendix to this report. It will only be sought here to refer to certain general characteristics of the proposed uniform law and to discuss several particulars in which it differs from the existing law of America and Great Britain and raises issues affecting bills drawn between those countries and other countries.

It is obvious at the outset, that the reduction of the foreign laws to a single body of law and the putting of that body of law into a code, would be a long step towards simplifying the inquiries required to be made by American and English bankers and shippers in dealing with bills likely to become a subject of international circulation. At present, there is no complete collection of foreign laws on bills of exchange, and the number of attorneys whose knowledge extends much beyond their national laws is not large.

In comparing the proposed uniform law with the existing laws of America and Great Britain, the provisions of the uniform law fall naturally into three classes,—those which are substantially the same in operation; those which are supplementary, without obviously departing from American and English laws; and those which differ from those laws. Apparently any step which increases the number of provisions falling under the first class will be of mutual advantage to all countries concerned. Of the supplementary provisions, some may be recognized as of considerable value, and others as involving an effort to regulate too minutely matters which may better be left to private agreement. Among those provisions which differ in the two types of law, there are some which it might be of advantage to adopt from the proposed law into American and English law; there are others which could not be adopted without impairing existing rights and imposing an unnecessary degree of formalism upon financial and commercial transactions.

Under the first class of cases,—where the uniform law coincides in substance with American and English law,—are several in which the more liberal provisions of the American and English laws are substituted in the uniform law for antiquated and restrictive provisions now in force on the Continent of Europe. Among these may be cited the provision (Law, Art. 11) that the mere signature of an indorser on the back of a bill of exchange, without date or qualifying words, constitutes a valid indorsement transferring the property in the bill. This would abolish the existing rule in France, by which such a signature constitutes only a guaranty of the previous signature. This change, which had the cordial approval of the French delegation to the Conference, is one of many which tend to simplify the law in the spirit of the English and American law and would make its adoption on the Continent of

Europe of advantage to American bankers and merchants.

The essential particulars which constitute a document a valid bill of exchange, are substantially the same as laid down in the uniform law as in America and Great Britain, except in one point to be presently referred to. The uniform law goes much farther in permitting defects in a bill (Art. 2) without rendering it invalid than many Continental laws have hitherto done.

The most notable difference of opinion in regard to the form of the bill of exchange was over the question whether it should be required to bear a specific designation as a bill of exchange in the national language of the country in which it was issued. The subject is involved in the Continental countries to some extent with fiscal questions, which make it necessary to distinguish the bill from the cheque in order to collect the proper stamp-tax. With this branch of the subject American legislation is little concerned.

It was generally recognized at the Conference that failure to pay stamp taxes should not invalidate rights, as has sometimes been provided, in order to ensure the payment of the tax. To this end a provision is incorporated in the proposed Convention (Con., Art. 16), that the contracting States shall not subordinate rights arising under a bill of exchange to the stamp laws, but shall at most only suspend such rights pending the payment of the taxes. In so far as this modifies more severe requirements of existing law, it will obviously be for the benefit of American bankers and shippers.

The solution reached by the Conference, in the draft of the uniform law, in regard to the designation of a document as a bill of exchange, was that such designation should be required (Law, Art. 1), unless the State availed itself of the privilege granted by Article 2 of the Convention, to require only that a bill should be made payable to order. By the provisions for conflict of laws, however, a State where the designation is not required is bound not to allow the circulation within its territory of bills without the designation which have originated in countries by whose legislation it is required.

In the matter of provisions which are merely supplementary to existing English and American law, there are several included in the uniform law which appear unobjectionable upon their face, and perhaps might be embodied in American law without modifying its scope and without detriment to existing freedom of contract. Among such provisions are those which define more precisely the manner of interpreting expressions as to dates, including dates based upon foreign calendars, like those of Russia and Greece (Law, Art. 46).

Among the provisions which do not depart from existing methods, but which American and English practice have been content heretofore to leave to private agreement, is the matter of duplicates and copies. The delivery of several drafts of a bill is made mandatory upon the drawer when requested by the holder (Law, Art. 74), and the method of dealing with copies is fully set forth (Law, Art. 77). It was insisted by Mr. Fischel, the eminent banker who was a member of the German delegation, that it was

highly important to have the giving of several drafts of a bill made mandatory when requested, because otherwise an importer beyond seas, dependent upon bills for his means of remittance, would be at the mercy of the vendor. While it was pointed out by the English delegate in the Central Committee that the number of drafts was a subject of free contract in England, it was contended that if the same drawer had been accustomed to give several drafts or copies the courts would probably decide that the practice had grown from a custom into an obligation towards the payee.

Among the cases where there is direct conflict between the uniform law and the laws of the Anglo-Saxon countries, there are several where the provisions of the uniform law or of existing Continental laws are harmonious and consistent with themselves, and which therefore do not permit of the modification of one point without the modification of others. An interesting case of this sort is the manner in which the delay of presentment of a bill for payment, the doctrine of *vis major*, and the remedies allowed in case of failure to protest, are involved with each other. The American law requires presentment upon the day of maturity, subject to the usual provisions for holidays. No latitude is given to the holder of a bill as to the time in which he may present it after the date of maturity. The proposed uniform law, on the other hand, following in this respect the law of some of the Continental countries, permits presentment on either of the two business days which follow the date of maturity (Law, Art. 47).<sup>\*</sup> The serious objection to this from the American point of view is that a holder delaying presentment in this manner might find the position of the acceptor materially changed within the three days. He might have been able to pay on the date of maturity and have been declared a bankrupt two days later. The indorsers and the drawer would thus become the victims of the delay (or the authorized negligence, so to speak) of the holder.

When the foreign laws and the uniform law are examined with respect to other provisions, however, the reasons for this latitude in presentment for payment are disclosed. The existing law of Germany admits no sufficient excuse for delay in presentment within the legal time except events of a public nature. The uniform law, following out this theory in substance, recognizes only "an insurmountable obstacle to the presentment of the bill or the drawing of the protest" as an excuse for delay. Such an obstacle must arise, moreover, in the place where presentment or the drawing of the protest should take place. Obstacles which deter the holder from presentment, like sudden illness, arrest by the police, or a railway accident, are not recognized as excuses. The English law, on the other hand, recognizes excuses of this sort, when proved, as having the same character and giving the same rights as those arising from public causes, as an earthquake or a siege. Hence the greater liberality of the Continental law in the time allowed for presentment.

<sup>\*</sup>This is subject to the qualification by the Convention, that presentment may be required by national law on the day of maturity, but failure to observe this requirement shall permit only a suit for damages (Con., Art. 7).

So wide were the differences of opinion on this subject in the Conference that it was not attempted to reduce them to a uniform rule. The latitude of three days given for presentment is embodied in the draft of the uniform law, but a special article of the Convention (Con., Art 12) authorizes each State to decide that in case of negligence, there may exist within its territory an action against the drawer who has been unjustly enriched,—that is, who has, through loss or negligence of the holder of a bill, acquired property or money without parting with anything in return.

It is obvious that, whatever may be the merits of the English or the Continental theory upon these questions of time for presentment, vis major, and the effects of negligence, the policy of one system could not be adopted into the other in a single particular without readjustment in other particulars.

Almost inevitably linked with the questions of delay in presentment and of vis major is this one of fundamental importance to the holder of a bill who may, through neglect or otherwise, fail to comply promptly with legal requirements. In this respect it would seem that the English and American law, in spite of their liberality as to excuses, might take a leaf from the broader policy of some of the Continental laws. Under English and American law it has become a principle so well established that it is no longer disputed, that if due notice of dishonor of a bill is not given, and there is absence of adequate excuse, the holder loses both his right of recourse on the bill and also his right of action on the consideration of the bill. Under the proposed uniform law this severe rule is mitigated. The difference in effect between the present English and American rule and that of the uniform law is thus summed up by the English technical delegates to the Conference, in their communication to the British Foreign Office:

"To give an illustration, suppose Brown buys a motor-car from Jones for £300 and gives him in payment a bill drawn on Smith, payable one month after date. Smith dishonors the bill, and Jones by some slip gives notice of dishonor to Brown a day too late. Under English law Brown is discharged from his liability on the bill, and can keep the motor-car without paying for it. Under the uniform law, Brown would be liable either on the bill or in an action for the price, but if he had suffered any loss through getting the notice of dishonor late he could sue Jones for damages. It seems to us that the English law is too severe, while the Continental law is too lax. Jones ought to lose his right of recourse on the bill, but Brown ought to be liable to be sued for the price of the motor-car, less any damage he may have suffered through getting notice of dishonor too late."

Long as the English and American rule has prevailed, it would seem to be only a matter of equity that it should be modified in the sense proposed by the uniform law. \* \* \*

There are several points in the draft of the uniform law which has been proposed which involve less security to some of the parties to a bill than is afforded by American law. These provisions in the main, are not provisions which are entirely novel,

but are found in the existing laws of some Continental countries. If they have not attracted the special attention of American bankers, it is because they involve points which arise but rarely and affect only a small percentage of the great mass of bills flowing through the channels of international finance.

As an illustration of such a provision, without undertaking to present all of them, may be named the provisions limiting the time for the presentment of bills, both for acceptance and for payment. It is provided by the proposed uniform law (Law, Art. 23) that a bill payable at a certain time after sight must be presented for acceptance within six months of its date, without prolongation of this time because of distance. While an extension of the time is permitted by express stipulation of the drawer, the limit of such extension is fixed at six months, thus limiting the entire period allowed between the date of the bill and presentment for acceptance to one year. By Article 41 of the proposed law, substantially the same provisions are applied to the presentment for payment of a bill payable at sight.

The principle of the English and American law, sustained by a long line of decisions, is that such matters may properly be left to free contract between the parties or to determination by the courts as to what constitutes "a reasonable time." From the difference in the law, the important difference results in practice that so long as the bill is not presented, the parties are held, under the provisions of the English and American law, in accordance with their original signatures. The effect of the proposed uniform law (Law, Art. 64) is that the holder would be deprived, after six months, of his rights against the indorsers, against the drawer, and against all other parties liable except the acceptor and his guarantor. While there is something to be said in favor of having the time for presentment fixed by law, as was the case even in some American States before the general adoption of the Negotiable Instruments Law, instead of being left entirely to the discretion of the courts, it seems clear that six months is too short a period for holding the parties in the case of bills drawn on remote points, where an error of transmission might easily deprive the lawful holder of opportunity to exercise his rights within so limited a time.

In the matter of prescription also narrow limits of time are imposed by the uniform law upon the rights of parties. As fixed by Article 82 of the law, all actions against the acceptor and his guarantor must be begun within three years from the date of maturity. This period in itself, while three years less than the statute of limitations which governs such cases in England and America, is not so objectionable as other provisions of the same section. One of these is that the claims of the holder against indorsers, against the drawer, and against their guarantors are barred after six months from maturity or from the date of the protest, if that has been drawn within the time required by law. Actions of recourse also of one indorser against others and against the drawer are restricted to six months from the date on which the indorser took up the bill.

It goes without saying that provisions of this sort would, if generally adopted, have a high import-



ance for American bankers and merchants, especially those doing business in the Orient and in other parts of the world which are remote and inaccessible. It is a matter of common knowledge that misunderstandings sometimes arise which, if hasty action is not taken, may be capable of adjustment, where under the proposed rule prompt protest, without adjustment, would be required in order to safeguard the rights of parties. The curtailment of the limitations for suits of indorsers against each other is even more strict than the general rule laid down by the Budapest Conference (Rule 26), that "the limitation of actions upon bills of exchange against all parties shall be eighteen months from the date of the maturity of the bill." Even this limitation was considered too restrictive by American bankers, for the reasons set forth in the memorandum submitted by the American delegate in response to the original "Questionnaire" of the Government of The Netherlands. The provisions of the uniform law on this subject are contrary to the existing laws of Great Britain and France as well as of America, and it is possible that a strong protest against them at the Conference of next autumn would secure their modification.

In spite of several provisions of this character, which obviously call for careful scrutiny, long steps were taken by the recent Conference towards the comparative liberality and respect for the intent of the contracting parties which have characterized for many years the American and English laws on bills. The spirit of many of the delegates was well illustrated by Mr. Lyon-Caen, at the first plenary sitting at which details were discussed, in the declaration that the Anglo-Saxon system had every preference in France if she was to modify her legislation. The French banking institutions consulted, he declared, pronounced for the most liberal system, which was that of Great Britain. The elaborate project submitted by the delegation of Hungary also, while adopting some regulations unfamiliar to English and American law, made many concessions towards the liberal spirit in which the eminent French delegate urged that the Conference should act.

Hence, although the British delegation were distinctly instructed by their government that, as a general rule, they should "not hold out any hope that English rules of law are likely to be substantially modified and brought into conformity with Continental rules," the two technical delegates strongly recommended, in their final report of August 16th, that Great Britain should take part in the next Conference and support certain points where, in their opinion, the English law was "distinctly more convenient than the foreign rule."

In view of the fact that the draft of the uniform law is to be subjected to further examination and amendment at the Conference of next autumn before it is put in its final form, it does not seem advisable at this time to recommend any changes which might be desirable in American laws in order to bring them into a greater degree of conformity with the uniform law on those points where conformity would not be inimical to American interests and legal practice. Copies of the translation of the proposed uniform law have been sent to leading bankers, exporters and others interested, with the suggestion that they single

out the most important provisions which they consider desirable on the one hand or especially objectionable on the other. With the data obtained from the replies to these inquiries it will be possible for the American delegation, if the country is represented at the next Conference, to concentrate its efforts upon such changes as are most desirable and after the Conference to recommend to the American states, through the Department of State, those amendments or additions to American law which may be made to advantage. It might tend to additional confusion to attempt to introduce such changes before the meeting of the Conference of next autumn, except perhaps upon points where it appears to be clear that the provisions of the uniform law as it now stands will receive final approval. The British technical delegates have suggested that certain amendments in the English law "may be made at once, as desirable in themselves, without waiting for the adoption by other nations of the uniform law." The changes which they recommend are as follows:

- "1. That days of grace should be abolished.
2. That when a bill falls due on a non-business day, it should be payable on the next succeeding business day.
- "3. That when the sum payable by a bill is expressed more than once in words, or more than once in figures, and there is a discrepancy, the lesser sum shall be the sum payable.
- "4. That when a bill is expressed to be payable with interest and no rate of interest is specified, interest at the rate of five per cent. shall be understood.
- "5. That where the acceptance consists of the simple signature of the drawee, it must be on the face of the bill.
- "6. That where a bill is dishonored by non-acceptance, a party who is liable on the bill may nevertheless accept it for honor.
- "7. That payment for honor by the acceptor of a bill shall be prohibited.
- "8. That where the holder of a bill loses his right of recourse on the bill by reason of his failure duly to present or protest it, or to give notice of dishonor, he shall not thereby lose his right of action on the consideration, but that if the drawer or indorser whom he sues has been prejudiced by that failure, such drawer or indorser shall be discharged from his liability on the consideration to the extent of any loss he may have suffered."

While most of these changes are such as are not likely to cause controversy, the method of securing legislation in the United States on these subjects is so complicated that it would probably not be advisable for the Department to make any recommendations on the matter to the governments of the forty-six states until after the Conference of next autumn. If it then appears that the list of desirable recommendations can be extended, and that similar modifications are likely to be introduced into the laws of Great Britain and her dependencies, thereby ensuring an approach to uniformity throughout the English-speaking world, it may be advisable to refer to the states and to the legal bodies interested in the uniformity of commercial law the entire list of changes upon which agreement seems to be attainable and desirable.



### The Proposed Conference on Cheques.

An important reason why it may be desirable for the United States to be represented at the Conference of next year is the adoption, at the close of the recent Conference, of a resolution in regard to cheques. This resolution declares that a later Conference shall be charged with consideration of the unification of the law relative to the cheque, and to this end the Government of The Netherlands is requested to employ methods of inquiry and preparation similar to those employed in anticipation of the Conference just held.

It is not necessary here to discuss at length the subject matter of such a Conference. The questions which arise in regard to cheques, while not so complicated perhaps as those arising in regard to bills, are nevertheless of considerable importance. They involve questions of the time within which a cheque should be presented to relieve the parties from negligence, the consequences of such negligence, and the obligations of banks which accept, indorse or collect cheques which may be found to be invalid or not properly provided for.

## OPINIONS.

### Summary of Questions Received and Opinions Rendered to Members of the Association.

#### ACCOMMODATION INDORSEMENT BY MARRIED WOMAN.

Under law of New Jersey a married woman cannot bind herself as accommodation indorser and the fact that the paper so indorsed is made by a corporation of which she is a stockholder, does not make the indorsement binding upon her under the New Jersey statute.

From New Jersey.—We shall be glad of information from you as to the value of a married woman's indorsement upon paper of a corporation in which she is a stockholder.

This refers to a company in New Jersey in which State the law, as we have it, reads that a married woman cannot become accommodation endorser, guarantor or surety, or be liable on any promise to pay the debt or answer for the default or liability of any other person, unless on the faith of such endorsement, guarantee or suretyship, promise to pay the debt, or answer for the default or liability of any other person, a married woman obtains something of value for her own use or the use of her separate property.

Does this mean that if a married woman endorses paper as above stated and is a stockholder in the corporation making the paper that she, as a stockholder, has received something of value for her endorsement and is, therefore, liable under the law as an endorser?

If it is possible to give us a legal decision on this question, we shall be greatly obliged.

It has been directly held by the Supreme Court of New Jersey that a married woman cannot bind herself in such a case. In *Allen v. Beebe*, 63 N. J. Law 377, it was held that the circumstance that a married woman is the owner of the majority of stock in a corporation does not enable her to bind herself to pay its debts. It may be of interest to you to quote the language of the court, which supplies fully the answer to the question you ask. Garrison, J., says:

"The disability of a married woman in this State remains as at common law, in so far as her promise to pay the debt of another person is concerned, unless, on the faith of such promise, she obtains, directly or indirectly, any money, property or other thing of value, for her own use, or for the use, benefit or advantage of her separable estate." 2 Gen. St. p. 2018.

"No amount of casultry can alter the fact that a corporation is 'another person,' distinct in law from

the natural or artificial persons who hold its stock.

"When, therefore, upon the faith of a stockholder's promise, a corporation obtains property, the person who makes the promise is not the person who obtains the property. If the stockholder be a married woman, then she has obtained nothing 'to her own use,' or for her 'separate estate,' because the obtaining was by another person, to wit, the corporation.

"The degree of control she may have over the conduct of that other person is not the test established by the statute, and would lead to absurdly remote and speculative results.

"The argument that the words 'directly or indirectly,' in the statute, point to such a conclusion, is fallacious; for the contention must then be that a married woman may use her credit to obtain property for other people whenever it is advantageous to her that they should obtain it, which is not what the statute says. 'Directly or indirectly,' in my opinion, qualify the word 'obtain,' and serve to enlarge the mode by which the married woman may secure her separate interest; not to minimize the nature of that interest, or to throw it open to speculative or remote contingencies. In a sense, it may be said to be advantageous to a married woman that her debtor should obtain money, for then he would discharge her claim; or that her minor child should obtain property, for then it would contribute to its own support. But no one would pretend that such cases came within the statute of this State. The principle is that the intervention of a distinct personality between the married woman and the property obtained by her promise leaves the transaction outside both the letter and the spirit of the enabling act."

#### BANK STOCK LIEN.

National Bank has no lien on its stock for indebtedness of stockholder.

From Missouri.—Please advise us whether or not a National Bank has a lien on its stock for the debt of a stockholder. That is, if a stockholder borrow money of a National Bank without security, and when the note is due, fails to pay it, can the officers of the bank refuse to transfer his stock until the debt is paid.

A national bank has no lien on its stock for the

indebtedness of a stockholder and cannot refuse to transfer his stock until the debt is paid. The National Bank Act (Rev. Stat. 5201) provides that "No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith"; with a further provision for disposition, within six months, of the stock so acquired.

It has been held by the Supreme Court of the United States under this Section that a national bank cannot acquire a lien on its own stock in the hands of stockholders and that any provisions in the articles of Association or by-laws or in the certificates prohibiting a transfer until the liability of the stockholder to the bank is paid, are wholly void. *Bank v. Lanier*, 11 Wall. 369; *Bullard v. Bank*, 18 Wall. 589; *Third Nat. Bank v. Buffalo German Ins. Co.* 193 U. S. 581.

But it would seem that this Section would not prevent the shares of the stockholder from being attached for his indebtedness to the bank in a case where the stock was still in his possession at the time of the attachment. *Hager v. Union Nat. Bank*, 63 Me. 509.

#### CERTIFICATION OVER TELEPHONE.

Not legal and binding because not in writing as required by Negotiable Instruments Law.

From Missouri.—Would a check certified over the telephone be legal and binding on the bank so certifying? The case in point is this: On November 26 at 8 a. m., I certified over the telephone John Smith's check on us for \$155, the full amount of his balance to an out of town bank. At 11.20 a. m. that day, his account was attached and garnished by a local merchant for \$72. We told the merchant that John Smith had no money on deposit with us, as we had certified his balance to an out of town bank. The merchant's attorney contends that a certification over the telephone is not legal and binding, and in this opinion our attorney agrees. The certified check came in the mail on the morning of the 27th and on the advice of our attorney, we returned the check unpaid. This case did not come to trial as it was settled out of court, therefore we would like to have your opinion to whom we should pay this money, as we do not agree with our attorney's opinion.

A check certified in Missouri over the telephone is not legal and binding on the bank so certifying. The Negotiable Instruments Law of that State requires acceptances to be in writing. In the case you state, the certification not being binding, the garnishment of the customer's account would hold good.

In the *Journal* for November, 1910, at page 277, you will see an answer to a similar inquiry on this point in which a decision of the Supreme Court of Colorado is cited, holding that under the Negotiable Instruments Law a certification or promise to pay a check over the telephone is not valid nor binding on the bank because not in writing. See, also, a further opinion on the subject in the *Journal* for December, 1910, at page 337.

#### UNDATED CHECK.

Check without date is valid and negotiable under Negotiable Instruments Law and such check can be paid by the bank on presentation.

From New York.—Kindly advise us whether a check not dated can be paid on presentation, also whether a check not dated can be certified and held pending the insertion of the date. There seems to be some difference of opinion and we would appreciate your advice in this matter.

It was formerly a somewhat doubtful question whether a bank was obliged to pay, or justified in paying, an undated check, but now the Negotiable Instruments Law provides that "the validity and negotiable character of an instrument are not affected by the fact that it is not dated." While the dating of a check is customary and serves a useful purpose still, notwithstanding the omission of the date, the check is, in law, a valid order on the bank to pay on demand and an undated check can be paid by the bank on presentation. The right to pay includes the power to certify the check payable when the date is supplied, assuming the holder is willing to take such a conditional certification, but it occurs to me that certification might not be a wise proceeding. So long as the bank has the right to pay there would seem to be no good reason for certifying the check to be paid when dated.

#### CANADIAN BANK NOTES.

Bank which pays out, in the United States, Canadian bank notes which have been received by it, must pay tax of ten per cent. on all notes so paid out.

From Idaho.—I called on one of our State banks in the northern part of the State and they said they had been notified by one of the National banks that the Government would prosecute any bank that passed any money over its counter but Government money. They handle nearly as much Canadian money as they do any other, as they are only thirty miles from the Canadian line. Will you please let me know if there is such a law and give me the number of the same.

I know of no Federal statute which makes it a crime for which a bank could be prosecuted for paying out Canadian bank notes over its counter, but there is a statute which requires a bank to pay a tax of ten per cent. on all notes so paid out and make returns of such circulation to the Commissioner of Internal Revenue and the Collector of the District. Section 3412 of the United States Revised Statutes provides:

"Any national banking association, state bank or state banking association shall pay a tax of ten per centum on the amount of notes of any person, or of any state bank or state banking association used for circulation and paid out by them."

It has been repeatedly ruled by the Commissioner of Internal Revenue that Canadian bank notes are within the provisions of this Section. A bank, however, does not become subject to the tax of ten per cent. for merely receiving on deposit Canadian bank notes that may have been used for circulation and

sending them to Canada for redemption. It would incur no tax liability in doing this. It is only when it pays out in the United States these notes that it is required to pay the tax. You will see in the Journal for September, 1910, at page 145, an opinion by me on this subject in which the rulings of the Commissioner on Internal Revenue are more fully set forth.

#### COLLECTION OF INTEREST UPON INTEREST.

Where a note running for a number of years provides for payment of interest annually, the decisions conflict whether interest upon any past due installment of interest can be collected.

From South Dakota.—Enclosed herewith I hand you two notes of practically the same form, except as to payment of the interest. I take it that interest can be collected annually upon each, but in case the interest is not collected, can interest upon past due interest be collected?

The forms of note enclosed are designed to run for a number of years, respectively, and contain the provision (1) "with annual interest at the rate of," etc., and (2) "with interest payable annually at the rate of," etc. Neither note contains a provision that upon default in payment of any annual installment of interest, such interest shall itself bear interest and the question arises whether, without such an agreement, interest upon past due interest can be collected.

There seems to be a conflict of decision upon this question. Without attempting an exhaustive presentation of the authorities, it has been held in Missouri, Washington and West Virginia that, without special agreement, interest cannot be collected upon unpaid interest, while in Kentucky and Texas, the contrary appears to have been decided. I can find no decision in South Dakota on the subject. To briefly refer to the two classes of cases: In *Stoner v. Evans*, 38 Mo. 461, the note was for five years with interest at ten per cent., "payable annually." Legal interest at six per cent. was sought to be collected on an unpaid installment of interest. The court said:

"By the express terms of the agreement the interest was to be paid annually and if not so paid the plaintiff might have recovered it by action; but there is no authority for saying that he could let it run, treat it as a separate and independent debt, and then recover interest on it without a stipulation to that effect."

In *Cullen v. Whitham*, 33 Wash. 366, the Supreme Court said: "The court found that inasmuch as the note provided for an annual payment of interest, the holder was entitled to interest on overdue interest

\* \* \* but whether the note would have been usurious if it had so provided, we have not found it necessary to determine, as we are clear that the court was in error in its construction of the terms of the note. To create an obligation to pay compound interest there must be an agreement to pay interest upon interest, otherwise there is no legal obligation on the part of the borrower to do so; it is not enough that the note provides for the annual payment of interest. To agree to pay interest annually does not make the cumulated interest a separate debt in the sense that it will draw interest per force of the statute without any further promise to pay interest thereon; on the contrary there must be a direct promise to do so before such an obligation arises. The note in question contained no promise or agreement to pay interest upon overdue interest. It was therefore a simple interest bearing obligation and the interest should have been calculated at the rate of ten per cent. from date until entry of judgment."

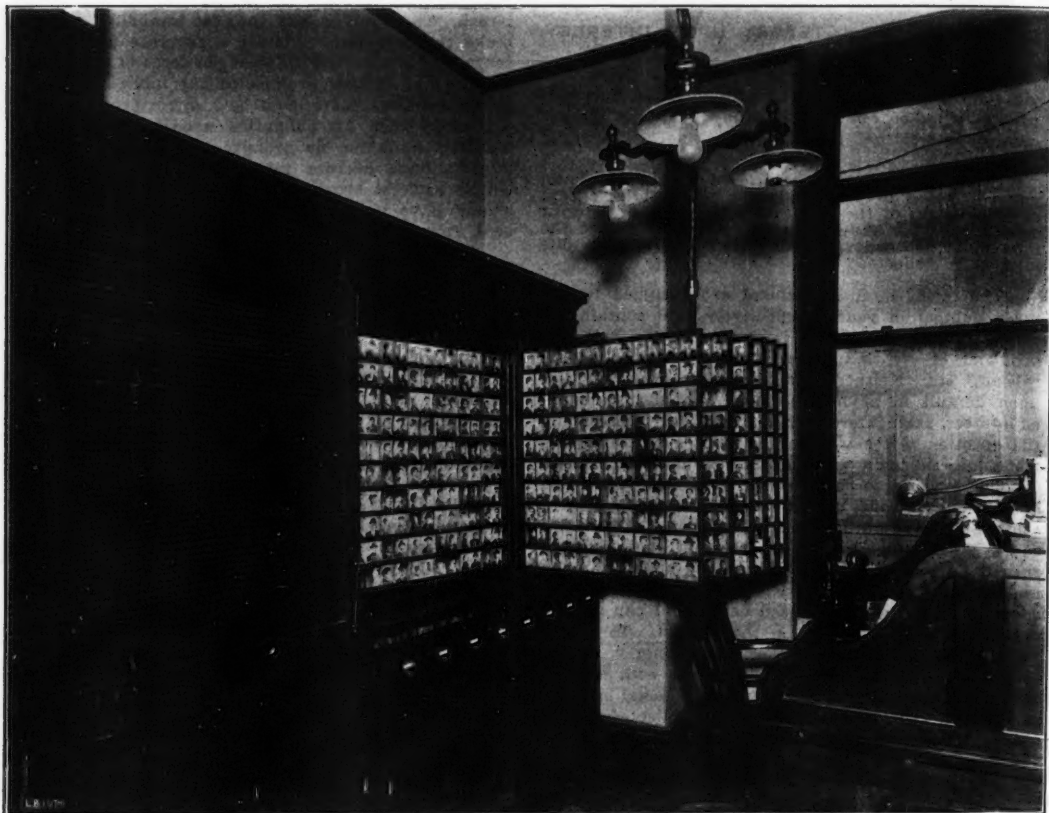
In *Boggers v. Goff*, 47 W. Va. 139, it was held that in the absence of a contract with the debtor to that effect, made after the interest to be paid annually became due, the holder could not charge interest upon such interest.

To the contrary, in *Hall v. Scott*, 90 Ky. 340, where a three year note provided "with interest semi-annually" the court said: "Upon the maturity of each semi-annual payment of interest it became a debt due and it was from that time forward placed upon the same footing as any other debt due and payable at a certain time. Therefore it bore interest from its maturity the same as any other interest bearing debt and said interest should run until it was paid."

So also in *Texas*, *Robertson v. Parrish*, 39 S. W. 646, the Court of Civil Appeals has held that a note providing for semi-annual installments of interest in effect authorized the holder to compound the interest.

While I have not found any decision of the Supreme Court of South Dakota upon the subject, the Civil Code of that State (sec. 1417) provides that " \* \* \* interest is payable on all moneys at the rate of seven per cent. per annum after they become due on any instrument of writing, except a judgment, and on moneys lent or due on any settlement of accounts from the day on which the balance is ascertained, and on moneys received to the use of another and detained from him." It may be that this statute would be so construed as to permit the recovery of interest upon unpaid interest, in a case such as you submit on the theory that such unpaid interest is money which has become due on an instrument of writing, provided that such compounding of the interest would not in the aggregate amount to usury on the principal debt.

PHOTOGRAPH OF CRIMINAL GALLERY OF THE PROTECTIVE DEPARTMENT  
AMERICAN BANKERS ASSOCIATION AND MANAGER  
GAMMON'S OFFICE.



The above is a re-production of our new gallery, which holds approximately six thousand photographs and the criminal records relative to same. This Department now has thirteen hundred and fifty-four photographs of "live" criminals.

The Protective Department has just completed re-filing of the original reports made to the Standing Protective Committee by our former Detective Agents, covering the period of fifteen years, which

covers all cases investigated by them for this Association.

It can be seen that we have our own photographs of criminals, and their records, also reports to date, and that we are in a position to handle any emergency that may arise whereby a member is interested, whether the operator be a new one, or an old-timer, despite all claims to the contrary by our former Agents.



# PROTECTIVE DEPARTMENT

L.W. GAMMON

MANAGER

## RULES OF PROTECTIVE COMMITTEE AMERICAN BANKERS ASSOCIATION.

THE AMERICAN BANKERS ASSOCIATION, in deciding to become the aggressive agent of its members for the apprehension and prosecution of criminals, devolves the executive work upon a Protective Committee of three persons (whose names are not made public), which Committee has full power, when called upon for aid by any member, to take such steps as it shall deem proper to detect, arrest and prosecute the offenders.

The policy of the Committee is to relentlessly pursue every bank criminal as outlined in the following rules, which govern the action of the Committee:

1. Upon receipt of notification by the General Secretary, No. 11 Pine Street, New York City, or the nearest office or correspondent of THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC., of an attempted or successful perpetration of fraud or crime upon a member of the Association, either by forgery, check-raising, robbery, hold-up or safe-breaking, accompanied by a full account of the offence and, if possible, a description of the perpetrators, the Committee will at once undertake the apprehension of the criminals through the service of detectives and such other means as they may consider warranted. A case once committed to the Association cannot be taken out of its hands, nor the offence condoned or compromised.

2. In reporting cases of crime, the Protective Committee understands that the members so reporting will have a warrant issued for the criminal concerned.

The Committee relies upon the State, county or local authorities to arrange for the extradition and the payment of the expense incident to the return of the prisoner. The Committee will not pay extradition expenses.

3. The Committee cannot undertake action on cases unless immediate notice of crime has been given to the General Secretary, or such notice sent to the nearest office or correspondent of The William J. Burns National Detective Agency, Inc., and the Association cannot be held responsible for any expense incurred for protective work, which has not been previously authorized by the Protective Committee.

4. The Committee cannot take cognizance of crime perpetrated by employees; the vigilance, alertness and energy of the officers of the banks must be relied upon in such cases.

The Committee will not take cognizance of cases where other than members are defrauded. If customers of members cash checks for unidentified strangers and same turn out to be forged or raised they must pursue the criminal through the police, sheriff or county authorities or some detective agency at their own expense.

It is expected that every member will co-operate with the Committee by promptly reporting every offence coming under their notice as well as by using all reasonable efforts in assisting in the arrest and conviction of the criminals.

FRED. E. FARNSWORTH, GENERAL SECRETARY.

On December 15, 1910, a bank (M) in Joplin, Mo., reported that it had been defrauded by one William M. Byrd, for whom the cashier had honored a check drawn on a Hot Springs, Ark., bank (M), which later turned out to be worthless. The case was investigated by our detective agents, the William J. Burns National Detective Agency. They traced Byrd to Osawatomie, Kans., and caused his arrest at that point on December 20, 1910. Byrd has since been returned to Joplin for trial. He is described as 30 years of age, 5 feet 10 inches tall, weighs about 135 pounds, black hair, dark eyes, smooth shaven, and gives his occupation as that of railway clerk.

In the November Journal, on page 312 (first column), we published an article concerning bogus checks purporting to be signed by H. C. Stevens. Our detective agents, the William J. Burns National Detective Agency, have been at work trying to locate the person who has issued these checks, a bank (M) in Mesa City, Ariz., having suffered a loss through cashing one of them. The Burns agency traced the crime to one H. B. Clarke, a former resident of Salt Lake City, Utah, whom they succeeded in locating in Los Angeles on November 22, 1910, where they caused the arrest of Clarke on that date. Upon further investigation by the Burns Agency it became apparent that a second person was implicated in the fraud perpetrated upon the Mesa City bank (M), and on December 14, 1910, they caused the arrest in Los Angeles of Edward J. LaPlante as an accomplice of Clarke. Both men are now lodged in jail in Mesa City awaiting trial.

Last March a Brooklyn, N. Y., bank (M) honored two or three checks drawn against a depositor's account. On November 30, 1910, it was discovered that these checks were forgeries. Our detective agents, the William J. Burns National Detective Agency, were assigned to the task of locating and apprehending the guilty party. They traced the forgeries to one Charles A. Scheffler. The Burns Agency located Scheffler at

Tenafly, N. J., on December 3, 1910, and caused his arrest in that city on that date. Scheffler has been returned to Brooklyn, N. Y., for trial.

On October 10, 1910, a bank (M) in Nashville, Tenn., cashed a check for \$875, which appeared to bear a depositor's genuine signature and was made payable to J. W. Hunter. The check was later discovered to be a forgery and was reported by the bank to the Protective Department on November 26, 1910. Our detective agents, the William J. Burns National Detective Agency, succeeded in developing evidence establishing the guilt of one Earl Samuel in connection with this forgery, and they caused his arrest in Nashville on November 30, 1910. Samuel is now being held in custody in Nashville.

The December Journal, on page 344 (second column), contains an article concerning one Harvey Boussom, a bogus check operator, who defrauded a bank (M) in Ellensburg, Wash. Our detective agents, the William J. Burns National Detective Agency, have been actively engaged in an effort to locate and apprehend Boussom. The Burns Agency traced Boussom to Sparks, Nev.; thence to Carson City, Nev.; to Reno, Nev., and finally to Winnemucca, Nev., where they succeeded in locating and causing the arrest of this swindler on December 10, 1910. Boussom has been returned to Ellensburg for trial.

On page 344 of the December, 1910, Journal (first column) we published an article concerning one J. W. Williams, alias A. W. McClellan. We have since obtained further details concerning this swindler's mode of operation. We learn that Williams has in his possession a number of fraudulent letters of credit purporting to be signed by the First National Bank (M) of King City, Mo. By displaying these letters of credit Williams has succeeded in having several persons, together with one or two banks, to cash his worthless checks drawn on the above mentioned bank.

Williams' complete description is said to be 28 to 30 years of age, 5 feet 10 inches tall, weighs 170 pounds, medium build, light hair, smooth shaven. He claims to be a farmer and land agent, and has the appearance of a well-to-do farmer. He has large, prominent ears and both of his hands are webbed to the middle joints of fingers. This swindler has recently operated in Nebraska, Iowa, Illinois, Colorado and Utah.

A warrant has been sworn out in Madison, Me., for Arthur B. Doolittle on the charge of forging the names of two persons to a promissory note. Doolittle is described as 45 years of age, 5 feet 10 inches tall, weighs about 160 pounds, brown hair tinged with grey, drooping brown mustache. Doolittle, who has left for parts unknown since the discovery of the forgery, was formerly in the dairy farming business.



CHAS. E. MacDONALD.

The above is a photograph of Charles E. MacDonald, alias Curry, alias Peppard, who was arrested by the local police of Plainfield, N. J., on December 1, 1910, and returned to New Haven, Conn., for trial on the charge of defrauding a hotel in the latter city. MacDonald has operated quite extensively against hotels and tradespeople throughout the East, in each instance tendering bogus certified checks drawn on a Portland, Ore., bank (M). He is described as 45 years of age, 5 feet 4 inches tall, weighs 160 pounds, medium complexion, light chestnut hair. He is said to be a mining engineer who was at one time a physician.

We published in the December, 1910, Journal, on page 345 (first column), a warning notice concerning A. E. Jacobus, who has succeeded in defrauding a number of persons on the fraudulent representation that he was soliciting subscriptions for Hampton's Magazine. On December 19, 1910, Jacobus attempted to cash at a Detroit, Mich., bank (M) a check payable to "A. E. Jacobus, agent for Hampton's Magazine." The paying teller to whom the check was tendered had, however, read the article in the December Journal, and having thus been forewarned, detained Jacobus under a pretext while he sent for a police officer. Jacobus was then placed under arrest and is now being held in custody in Detroit, awaiting trial.

We are advised that one R. W. Henderson is issuing worthless checks payable to his order, which purport to be drawn by W. B. Henderson. The checks in question are drawn on a Kansas City, Mo., bank (M), where there is no account in either of the above mentioned names. The swindler who is circulating these checks and who has operated in different parts

of the West within the past few months has recently made his appearance in St. Louis.

A warrant is in existence in Portland, Ore., for the arrest of R. C. Thompson, in connection with the issuance of a worthless check drawn on a Monroe, La., bank (M). Thompson is described as 35 years of age, 5 feet 10 inches tall, weighs 175 pounds, dark complexion. He has the appearance of being a Southerner, is a very smooth talker and dresses well.

James R. Francisco keeps a deposit account in two banks in Newark, N. J. Several months ago he issued a check payable to "Cash," against which he later issued a "Stop Payment" order. The person to whom this check had been given presented it at the bank on which it was drawn and was then advised that payment had been stopped on same. He ascertained the name of the second bank at which Francisco was known to have an account, and altered the check so as to give it the appearance of having originally been drawn on the last-named bank. The check was presented here and was duly honored. Francisco, however, subsequently brought suit for the recovery of the money and the court rendered a decision in his favor, contending that the person who altered the check was guilty of forgery. At this juncture the matter was referred to the Protective Department for criminal action, and the case was turned over to our detective agents, the William J. Burns National Detective Agency, for investigation. The Burns Agency succeeded in unearthing evidence showing one Edward F. Duffy, a resident of Newark, to have been the person who had evidently altered the check and had cashed same. They accordingly caused the arrest of Duffy in Newark on December 21, 1910. Duffy is now awaiting trial in Newark.



HOWARD C. STANLEY.

The above is a photograph of Howard C. Stanley, who was arrested by the local police of New York City on November 30, 1910, on the charge of defrauding a New York bank (M) with a worthless check. Stanley is described as 23 years of age, 5 feet 10 inches tall, black hair, dark complexion, smooth shaven. He is now lodged in the Tombs Prison, New York, awaiting trial.

A clever swindler calling himself Lord M. Scofield, and who also employs the name of F. Von Scofield, operated in Pittsburg, Pa., last month, and succeeded in defrauding merchants in that city with fraudulent checks drawn on a Pittsburg bank (M). Scofield is said to be 32 years of age, 5 feet 8 inches

tall, weighs 165 lbs., heavy build, brown hair, smooth shaven, well dressed.

George W. Scott, who is said to have been formerly a resident of Crescent, Okla., has recently made his appearance in Kansas, where he has met with more or less success in having a number of tradespeople cash his worthless checks drawn on a Crescent, Okla., bank.

Members are again warned to be on the lookout for Carl Schlossner, alias D. J. Sinclair, alias Charles Newman, who is circulating worthless checks purporting to have been issued by the Simmons Hardware Company. This swindler is still operating, having made his appearance within the past few weeks in Texas. He claims to be seeking real estate bargains, and after making friends with some prominent local real estate dealer, has that person cash one of his checks or gains an introduction to the cashier of a local bank, whom he manages to induce to cash the check, which is usually for two or three hundred dollars. A reproduction of the type of check used by this swindler appears on page 13 of the July, 1910, Journal. Members are requested carefully examine this check and to take particular note of the handwriting appearing thereon. Schlossner's description, republished from page 14 of the July Journal, is as follows: 32 to 35 years of age, 5 feet 7 inches tall, weighs 160 pounds, stocky build, light complexion, light hair, smooth shaven or small light mustache. He is supposed to be of either German or Swedish extraction, but would readily pass as an Englishman.



PASCOLINE MICHELESSI.

The above is a photograph of Pascoline Michelessi, for whom a warrant charging grand larceny is held by the police of Oswego, N. Y. Michelessi, who is an Italian, stole the savings bank book of one of his countrymen and succeeded in obtaining the funds standing to the latter's credit in an Oswego bank (M). Michelessi is described as a mason by trade, 21 or 22 years of age, 5 feet 6½ inches tall, weighs 145 to 150 pounds, slim build, brown eyes, smooth shaven, black hair, medium complexion, little finger of right hand crippled large prominent pointed nose. When last seen he wore a gray suit and white soft hat.

Ingram Hughes, who gives his occupation as that of printer, recently appeared in Los Angeles, Calif., where he succeeded in cashing a worthless draft drawn on a Seattle, Wash., bank (M). Hughes is described as 36 years of age, 5 feet 8 inches tall,

weighs 165 lbs., dark complexion, brown hair, brown eyes, smooth shaven.

Checks signed J. H. Crosby, and Albert Price are being circulated in the South. They are drawn on a Williston, S. C., bank (M), where there is no account under either of the above names. Of course, these checks are absolutely worthless.

We are advised that one William G. Gordon is circulating worthless checks drawn on a Toronto, Canada, bank (M). This swindler victimized a Pittsburg, Pa., jeweler, who cashed one of these checks. Gordon is described as 28 years of age, 5 feet 9 inches tall, weighs 160 lbs., medium complexion, dark hair, smooth shaven, high cheek bones, and usually converses in a modulated tone of voice. We reproduce below specimen of Gordon's handwriting:

*Wm G Gordon*  
*20% Two*

A bogus check operator employing the name of Dr. F. W. Ferree, alias Dr. Otto Van Stift, has, within the past few weeks, appeared, respectively, in Philadelphia, Pa., Hampton, Va., and Washington, D. C. His checks are drawn on a Pittsburg, Pa., bank (M), and have been passed on merchants and hotel keepers.

One Roy Cunningham, a former resident of Guthrie, Okla., forged the name of a depositor's signature to several small checks drawn on a Guthrie bank (M), and has since left for parts unknown.

A person employing the names, variously, of Louis Carl, Louis Karl and Louis Muller, has recently operated in New York and New Jersey, where a number of individuals have suffered small losses through cashing his worthless checks drawn on a Bayonne, N. J., bank (M). This swindler is described as a German, 50 to 60 years of age, 5 feet 2 inches tall, stout build, smooth shaven, and claims to be a railroad engineer. He is doubtless the same party whose operations have been reported in previous issues of the Journal under the names of Louis C. Muller and Louis C. Holtz.

Edward Romine, who is said to be a lather by trade, has suddenly disappeared from Kansas City, where, it is alleged, he cashed three checks for small sums, which were drawn on a Kansas City bank (M) and bore the forged signature of a depositor. Romine, who is of Swedish extraction, is about 5 feet 7 inches tall, weighs 130 lbs., light complexioned, light hair.

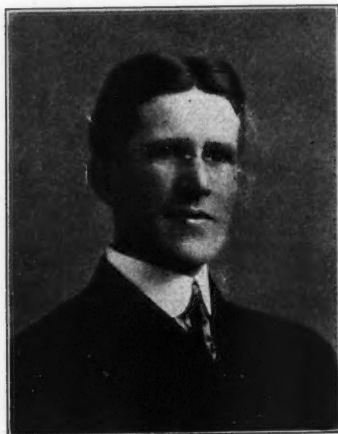
One E. Davis, alias H. Martin, last month left Bakersfield, Cal., for parts unknown after obtaining the funds on a forged check drawn on a Bakersfield bank (M). Davis is said to be 35 years of age, 5 feet 7 inches tall, weighs 155 to 160 lbs., grey hair, good appearance.

A young man named Antonio Tapia disappeared from San Francisco, Cal., a few weeks ago, following the theft by him of his brother Ralph's savings bank

book, and the subsequent withdrawal by Antonio of Ralph Tapia's entire deposit. Antonio Tapia is described as 25 years of age, 5 feet 5 inches tall, weighs about 125 to 130 lbs., well built, black hair, black eyes, index finger of right hand has been amputated at the joint. He is a candy maker by trade.

Checks drawn on a Cleveland, O., bank (M) are being circulated by Taylor Brown, alias Tom Yoder, who is said to be a farm hand, 25 years of age, 5 feet 6 inches tall, weighs about 135 to 140 lbs., dark complexion, dark hair, dark eyes, smooth shaven, medium build.

One Frank Bloom has left his usual haunts in Little Rock, Ark., after cashing a forged check drawn on a Little Rock bank (M). Bloom is described as a Mexican, 24 years of age, 5 feet 3 inches tall, weighs 130 pounds, blue-grey eyes, dark hair, smooth shaven; speaks English and German.



G. R. JONES.

The above is a photograph of G. R. Jones, a dangerous bogus check operator, who, we are advised, is now operating on the Pacific Coast, having recently appeared in San Francisco, California. Jones is described as 27 years of age, 5 feet 7 inches tall, weighs 135 lbs., smooth shaven, light brown hair, wears glasses, is a good dresser. His occupation is that of salesman. We reproduce below a specimen of his hand-writing:

*G. R. Jones*  
W-121307

The Protective Department is in receipt of information that one T. B. Cunningham has defrauded tradespeople in a number of Texas cities with checks drawn on a Houston, Tex., bank (M), where there are no funds to Cunningham's credit. Cunningham is described as 30 years of age, 5 feet 11 inches tall, weighs 140 lbs., dark complexion, brown eyes, dark brown hair.

We are advised that one William Hubbell has succeeded in cashing bogus checks in Minnesota, Iowa, North and South Dakota, all of his worthless paper being passed on tradespeople and hotel keepers. Hubbell is described as 40 to 50 years of age, well built, weighs about 140 lbs., smooth shaven, grey hair, has a somewhat dissipated appearance, and is said to be a bookmaker and gambler.

A person calling himself John H. Burgess, Jr., recently made his appearance in Philadelphia, and succeeded in obtaining the funds on a worthless draft for a small sum. Members are warned to be on the lookout for this swindler.

Checks which are made payable to A. E. Weston and which purport to be signed by the Taos Drug Company, have recently appeared in Missouri. They are drawn on a Taos, N. Mex., bank (M), and the signature is a forgery.

James H. Weber, alias Harry L. Wilber, alias J. H. Weber, is issuing bogus checks in and around New York City, where he has defrauded a number of individuals who have cashed these checks. A specimen of the handwriting appearing on these checks is reproduced below:

*James H. Weber*  
*Twenty 26 20*

The authorities of Portland, Ore., are in possession of a warrant for the arrest of H. D. Lansing, who is wanted in that city for passing forged checks. Lansing is said to be of German descent, is 28 to 30 years of age, 5 feet 9 inches tall, weighs about 190 pounds, well built, light complexion, smooth shaven, light hair, wears nose glasses. He was formerly in the electrical fixtures business.

J. S. Klugman and H. T. Clement, who were arrested in connection with the passing of a bogus check on a bank (M) in Plainfield, N. J.—as reported on page 156, (first column) of the September, 1910, Journal—have both been released from custody.

On November 20th, 1910, Chas. McEwen died in Los Angeles, Cal., while awaiting trial for a forgery committed on a Los Angeles, Cal., bank (M). McEwen's arrest was reported on page 153 (first column) of the September, 1910, Journal.

On November 23d, 1910, William P. Comingore was given a suspended sentence in connection with a forgery perpetrated by him on a Los Angeles, Cal., bank (M). The arrest of Comingore was reported on page 208 (second column) of the October, 1910, Journal.

On December 6th, 1910, Charles Schnelberg was given a sentence of two years in the Ohio State Penitentiary for attempting to defraud a Toledo, O., bank (M). Schnelberg's arrest was reported on page 306 (second column) of the November, 1910, Journal.



On November 28th, 1910, a sentence of six years in the Texas State Penitentiary was imposed upon R. W. Montgomery for forgeries perpetrated by him on Fort Worth, Texas, banks (Ms). The report of Montgomery's arrest was published on page 304 (first column) of the November, 1910, Journal.

On December 5th, 1910, Frank F. Daugherty was released from custody in connection with a forgery perpetrated upon a Munhall, Pa., bank (M). The arrest of Daugherty was published on page 203 (second column) of the October, 1910, Journal.

Worthless checks bearing the signature of John Anderson and drawn on a New York bank (M), where there is no account in that name, are being circulated in New York City. The body of checks that have come to our notice is typewritten, with the exception of the signature. The person for whom these checks have been cashed is said to be 26 years of age, 5 feet 6 inches tall, weighs 135 pounds, smooth shaven, fair complexion, light hair, blue eyes. It is believed that his occupation is that of chauffeur.



EDWARD BENTON.

Because of the continued activities of Edward Benton, alias Wilson, alias Jordan, alias Monroe, alias Dow, etc., one of the cleverest and most dangerous bank swindlers now operating, we again publish his photograph, together with a description of his mode of operation, which appeared on page 311 of the November, 1910, Journal. Benton claims to represent an Eastern machinery concern that is about to open a branch establishment. He rents a vacant loft or store, for which he executes a two or three year lease, and arranges with the owner of the building to introduce him to the cashier of a local bank. His next move is to deposit with the bank a check for \$500 to \$1,000 on a New York, Boston or some other Eastern city, which purports to be certified and purporting to bear the signature of the firm which Benton claims to represent. Benton then has business cards, letter heads, etc., printed, purchases office furniture and office supplies, arranges for the installation of a telephone, engages office help—in fact, he appears to be doing everything that would ordinarily be expected of a business man who is about to engage in a legitimate business venture. The day following his first appearance at the bank, Benton approaches the cashier with a story to the effect that he requires some ready cash to meet current expenses, and he usually expresses a desire to draw about two-thirds of his deposit. As a rule, his wish is promptly gratified and he pockets the cash and leaves town. A few days later the certified "check" is returned marked "No Account," while the stationer, the printer, the furniture dealer, the telephone company and others vainly seek Benton, who in his flight has of course managed to leave no trace behind him. This swindler, who employs numerous aliases, is described as 40 years of age, 5 feet 8 inches tall, weighs 190 pounds, medium chestnut hair, fair complexion, scar on ridge

of nose, has a cast in his left eye. He speaks in a soft, pleasing manner, and usually carries his hands in his pockets. His whole manner is such as to convince the average person that he is a reputable business man.

#### WANTED FOR FORGERY.

James Wilkinson, alias James Wilson, alias Bob O'Neill. Age, 34. Height, 5 feet 6 inches. Weight, 175 lbs. Eyes, blue, small. Hair light. Complexion florid. Smooth shaven. Index finger right hand stiff. Wore Stetson hat, long black overcoat.

Claude Bob Wilkinson. Alias Bob Wilson. Age, 30. Height, 5 feet 5 inches. Weight, 175 lbs. Eyes, blue, small. Hair light, heavy and curly. Complexion fair. Smooth shaven. Gray suit, Stetson broad rim hat with crown dented. Heavy tan shoes.

The Wilkinson brothers are from Onoway, Mich., where James served two years in the penitentiary at Iona for larceny from the person. Directly after being released in 1905, he passed a number of bad checks on the merchants of Onoway and disappeared. Next heard from at Snohomish, where he worked for the Morgan Lumber Co. during the summer months as a laborer. On November 12th last, he passed nearly twenty bad checks on the merchants in Snohomish, the signature of B. F. Morgan, of the Morgan Lumber Co., being forged. The genuine signature evidently having been obtained by entering office with pass key and securing one of the firms cancelled checks. Those used by Wilkinson were stolen at this time from the back of the firm's check book.

Leaving Snohomish on Nov. 12th, 7:05 P. M., he went to Monroe, where he passed two more bad checks, one of these being on the Stevens, Bird Lumber Co., and the other on a local bank. Mr. B. F. Bird's signature being forged and checks evidently obtained as those from Morgan Lumber Co.

The Sheriff at Monroe, Wash., holds a warrant for this man, charging forgery in the first degree.

From Monroe he came to Spokane, where on the afternoon of November 14th he gave R. I. Hurd & Co., clothier, a bad check for \$32.50. At this store he purchased a \$30 black overcoat.

With James Wilkinson is his brother Claude, who assisted him in Snohomish in passing forged checks. The Sheriff at Snohomish, Wash., holds a warrant for his arrest.

Arrest, hold and wire Wm. J. Burns National Detective Agency, 308 Hinckley Block, Seattle, Wash.

Hugh H. Waldron, alias Robert Newell, Adolph Steiner, R. R. Roulle, George W. Norghton, J. J. Walley, Philip Cook and Roy Thorpe.

This person has successfully operated under the above names on the Pacific Coast and Alaska, his mode of procedure being of an exceptionally clever nature. He identifies himself with one or more leading banks by becoming a small depositor and is often introduced by a prominent Attorney whose clientage he has established, and thereby gains complete confidence by placing in the said Attorney's hands an overdue note drawn in his own favor, together with other correspondence regarding same to the effect that signer of note referred the matter to some fictitious firm in Ketchikan, Alaska, and further stating that writer expected to have money at no distant date, said firm proves to be a confederate.

In due time a draft of the Miners & Merchants Bank of Ketchikan, Alaska, drawn upon an Eastern bank, properly numbered, is received by the Attorney which covers principal and interest on note. This draft is deposited by Waldron and as the Attorney is his reference he has no trouble in checking against his deposit. To further his standing at the bank where he carries an account, he makes frequent mention of his contemplated deals in real estate and building enterprises in the immediate vicinity. In some instances where it seemed necessary to perfect his plans he has secured the endorsement of his Attorney.

Another method which he adopted with some success was to place checks for collection drawn against banks of adjoining cities where he carried deposits and which were duly honored, as the amounts were not large, through this channel he paved the way for a larger check being honored for which he had no funds, and used a check on the Union Savings Bank of Oakland, California, in this manner leaving same for collection. A decided feature on all the checks or drafts issued by this forger are two parallel—though irregular—lines preceding the word dollars. An investigation proves that the Ketchikan drafts are not genuine, but apparently ordered by Waldron and produced by the photo-engraving process.

Waldron is not a man given to frequenting hotels or public places, and appears at all times reserved and non-committal; occupies modest furnished rooms; patronizes cheap restaurants and receives his mail at the general delivery.

Description of Waldron.—Age, 35 to 40 years. Height, 5 feet 11 inches. Weight, 160 to 170 lbs. Hair, light brown. Large blue eyes. Small light mustache, which may be shaven off. Had on a checked suit, gray predominating. Fancy vest. Soft gray hat. Tan shoes. Long black overcoat. Carried hunting case gold filled watch, number of case 7003892; number of movement 1475220. Wore square gold cuff buttons with diamond center. Gold charm on silk fob size of silver dollar containing six or seven small diamonds. The Chief of Police, Tacoma, Washington, holds warrant for Waldron as Robert Newell.

The Sheriff of Walla Walla, Washington, holds warrant for Hugh H. Waldron.

Arrest, hold and wire William J. Burns National Detective Agency, 308 Hinckley Block, Seattle, Washington.

On November 23d, 1910, Charles E. McDonald and John E. Kearney were sentenced in New York City for issuing bogus certified checks drawn on a Charleston, W. Va., bank (M). McDonald receiving an indeterminate sentence in Elmira Reformatory, and Kearney being given one year in the New York City Reformatory. The arrest of these criminals was published on page 305 (second column) of the November, 1910, Journal.

John Studebaker has been released from custody in connection with a forgery perpetrated upon a Tacoma, Wash., bank (M). The arrest of Studebaker was reported on page 87 (first column) of the August, 1910, Journal.

The following is a copy of a letter received by a customer of one of our members in the Northwest: Madrid, 3-12-10.

"My Dear Sir:—I am imprisoned in this city and I beg to beseech you herewith whether you wants to come here to take way my equipages seizure in order to seize upon a trunk containing a secret in which I have hidden an document indispensable to you to come in possession of 330,000 dollars that I have in the United States.

"As a reward, I will yield you the third part of the aforesaid sum.

"Fearful that this letter dont arrive at your hands, I will wait your answer and then I will say you my secret with every detail and to subscribe with my name.

"As here, is a Newspaper that publish all the cablegrams whose addresses are unknown, which it is allowed to me to read and as I cannot receive here in the gaol your reply, you must send a cablegram to the address indicated at the end.

"Notwithstanding, your cable not reach me, this will be the sufficient to know that you accept my proposition.

"Awaiting eagerly to read your missive,

"I only subscribe,

V. EX-BANKER.

"Above all, please answer by cable, but not by letter, as following:

"SEVERO MAESO,  
Dugue Alba, 15, Madrid."

This is a similar scheme as outlined in an article in our October Journal, page 206, with a cut on page

207. This is evidently the same kind of a scheme, except that the original article referred to a princess with large inheritance, while this article refers to a hidden secret, although the amounts are the same.

One Arthur H. Burg, whose occupation is that of salesman, has defrauded a number of people in New York City within the past month by means of worthless checks drawn on a New York bank (M). Burg is described at 22 years of age, 5 feet 10 inches tall, weighs about 145 pounds, dark complexion, brown hair, blue eyes, smooth shaven. A specimen of his handwriting is reproduced below:

*Arthur H. Burg*  
*Loan 10.00*  
*100*

This Department has received the following information:

Interest bearing Certificates of Deposit of Bank of Centerville, Centerville, Cal., for \$123.00, dated Dec. 29th, 1909, favor Rose Victoria Rose, has been lost or stolen. Payment stopped.

#### RECENT BURGLARIES IN KANSAS.

The following communication has just recently been received from a member of the Association in Kansas:

"There is considerable fuss in the newspapers of Kansas over the large number of bank robberies committed in the State of late. It is claimed there have been 23 in all. Nearly all were burglaries, possibly two daylight hold-ups.

"If you have the data at hand could you tell us how many of the banks robbed belonged to the A. B. A.? We remember that the Ford State Bank did, and that the robbers were captured."

The following reply, which was forwarded by Manager Gammon to the Kansas bank, should prove of interest to our members:

"In reply to your favor of Dec. 28th, I will state for your information that we have not had a burglary, hold-up, sneak theft, or even an attempt in each one of these crimes on any member of this Association in the States of Kansas, Missouri, Iowa, and Oklahoma since Sept. 1st, of this year, up to and including the present date. This goes to show that it pays to belong to the American Bankers Association.

"The results in the case of the Ford State Bank, Ford, Kans. which burglary happened last year, has had the desired effect on the 'Yeggs' in your section of the country. They know that our present Detective Agents—The William J. Burns National Detective Agency, are very efficient, and should they operate, or attempt to operate on any of our members, they will be pursued until they are apprehended. Reference to our monthly Journal under the head of the Protective Department will plainly show the results our present Detective Agents have obtained.

"I am very glad to be able to report to you the good record that we have made in keeping the 'Yeggs' down in your section of the country, and trust that we will be as fortunate for the balance of our present fiscal year, which as you know, ends on Aug. 31, 1911.

"Trusting that this letter answers your favor fully,"

## STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.

AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.

From September 1, 1910, to December 31, 1910.

New York, January 1, 1911.

Criminals arrested, convicted, sentenced, awaiting trial, etc.:

	Awaiting Trial Sept. 1, 1910.	Arrests From Sept. 1, 1910, to Nov. 30, 1910.	Arrests in December, 1910	Total.	Convicted.	Released.	Escaped or Fugitives.	Suicide or Died.	Awaiting Trial.
Forgers, etc. ....	50	40	9	99	22	16	2	1	58
Burglars .....	5	..	..	5	1	..	..	..	1
Hold-up robbers ...	2	1	..	3	1	..	..	..	2
Sneak thieves .....	..	..	..	..	..	..	..	..	..
	57	41	9	107	24	18	3	1	61

## FORGERS.

Dec. 19, A. E. Jacobus arrested in Detroit, Mich., for attempting to fraudulently obtain cash on check from Detroit bank (M); held for trial in Detroit.

Dec. 21, Edward F. Duffy, arrested in Newark, N. J., for altering check contrary to law, and cashing same at Newark bank (M); held for trial in Newark.

Dec. 10, Harvey Boussoom, arrested in Winemucca, Nev., for perpetrating forgery on Ellensburg, Wash., bank (M); returned to Ellensburg for trial.

Nov. 30, Howard C. Stanley, arrested in New York City for passing worthless check on New York bank (M); held for trial in New York City.

Dec. 8, Chas. A. Scheffler, arrested in Tenafly, N. J., for forgery perpetrated on Brooklyn, N. Y., bank (M); returned to Brooklyn for trial.

Nov. 30, Earl Samuel, arrested in Nashville, Tenn., for passing forged check on Nashville bank (M); held for trial in Nashville.

Nov. 22, H. B. Clarke, arrested in Los Angeles, Cal., for defrauding Mesa City, Ariz., bank (M) with worthless check; Dec. 14, Edward J. La Plante, arrested in Los Angeles as Clarke's accomplice; both men returned to Mesa City for trial.

Dec. 15, Wm. M. Byrd, arrested in Osawatomie, Kans., for victimizing Joplin, Mo., bank (M) with worthless check; returned to Joplin for trial.

J. S. Klugman and H. T. Clement released from custody in connection with bogus check fraud per-

petrated upon Plainfield, N. J. bank (M); arrest reported in Sept., 1910, Journal.

Chas. McEwen, died Nov. 20, while awaiting trial in Los Angeles, for forging check on Los Angeles bank (M); arrest reported in September, 1910, Journal.

Nov. 23, Wm. P. Comingore released on suspended sentence for forgery perpetrated on Los Angeles, Cal., bank (M).

Dec. 6, Chas. Schnellberg given two years in Ohio State Penitentiary for attempting to defraud Toledo, Ohio, bank (M); arrest reported in November, 1910, Journal.

Nov. 28, R. W. Montgomery given six years in Texas State Penitentiary for forgeries committed on Fort Worth, Tex., banks (Ms); arrest reported in November, 1910, Journal.

Dec. 5, Frank F. Daugherty released from custody in connection with forgery perpetrated on Munhall, Pa., bank (M); arrest reported in October, 1910, Journal.

Nov. 23, John E. Kearney given one year in New York City Penitentiary and W. R. McDonald given indeterminate sentence in Elmira Reformatory for issuing bogus certified checks drawn on Charleston, W. Va., bank (M); arrests reported in November 1910, Journal.

John Studebaker released from custody in connection with forgery committed on Tacoma, Wash. bank (M); arrest reported in August, 1910, Journal.

## CRIMINALS AWAITING TRIAL JANUARY 1, 1911.

## FORGERS.

Seymour Adams .....Netcong, N. J.  
Frank Alexander .....Atlanta, Ga.  
Giles Billington .....Long Branch, N. J.  
Eug. C. Brockaw .....Chicago, Ill.  
D. L. Cawley .....Atlanta, Ga.  
Howard L. Coombs .....Muskegon, Mich.  
Irving G. Crocker .....Chicago, Ill.  
W. R. Davies .....Marshall, Tex.  
Lewis Eaton, Jr. ....Buffalo, N. Y.  
J. C. Evans .....Worcester, Mass.  
S. M. Griggs .....San Francisco, Cal.  
Wm. J. Jones .....Claremore, Okla.  
Samuel H. Keeler .....Cincinnati, O.  
Floyd Koon .....Chicago, Ill.

Waverly A. Leigh .....Emporia, Va.  
Chas. M. Meeker .....New York City.  
Thos. W. Passmore .....Miles City, Mont.  
R. L. Peeples .....Birmingham, Ala.  
David J. Simon .....Washington, D. C.  
Samuel Thompson .....Atlanta, Ga.  
Chas. Troxall .....Burlington, N. J.  
John C. Walsh .....Brooklyn, N. Y.  
A. E. Webb .....Toledo, O.  
Walter E. Neal .....Scottsburg, Ind.  
J. W. Sharick .....Scottsburg, Ind.  
S. Blum .....Cleveland, O.  
A. W. Euard .....Pueblo, Colo.  
Baldomero Menendez .....New York City.  
Lou Evans .....Montgomery, Ala.

S. B. Adams ..... Bristol, Va.  
 W. J. Williams ..... Richland, Ga.  
 Phyllis Roberts ..... Los Angeles, Cal.  
 E. P. Lambert ..... St. Paul, Minn.  
 E. E. Brock ..... Kansas City, Mo.  
 Roger Stephens ..... Booneville, Ind.  
 Alvin C. Hamer ..... Los Angeles, Cal.  
 Bert E. Shaughnessy ..... Billings, Mont.  
 Frank Sanford ..... Seattle, Wash.  
 A. F. Bushnell ..... Salt Lake City, Utah.  
 Walter Johnson ..... Morris, Okla.  
 Antonio Grecla ..... Pittsburg, Pa.  
 Harry E. Campbell ..... Columbus, O.  
 L. D. Adams ..... Atlanta, Ga.  
 S. H. Gray ..... Athens, Tenn.  
 Ollie Hilliards ..... West Newton, Pa.  
 Jos. Gardner ..... Norfolk, Va.  
 Hume H. West ..... Baltimore, Md.

S. B. Gray ..... Greenville, Tex.  
 Lon Baker ..... Temple, Tex.  
 A. E. Jacobus ..... Detroit, Mich.  
 Edw. F. Duffy ..... Newark, N. J.  
 Harvey Boussom ..... Ellensburg, Wash.  
 Howard C. Stanley ..... New York City.  
 Chas. A. Scheffler ..... Brooklyn, N. Y.  
 Earl Samuel ..... Nashville, Tenn.  
 H. B. Clarke ..... Mesa City, Ariz.  
 Edw. J. La Plante ..... Mesa City, Ariz.  
 Wm. M. Byrd ..... Joplin, Mo.

## BURGLARS.

Custer Gallagher ..... Dodge City, Kans.

## HOLD-UP ROBBERIES.

Pat Powers ..... Highland, Cal.  
 Harry E. Cornell ..... Fond-du-Lac, Wis.

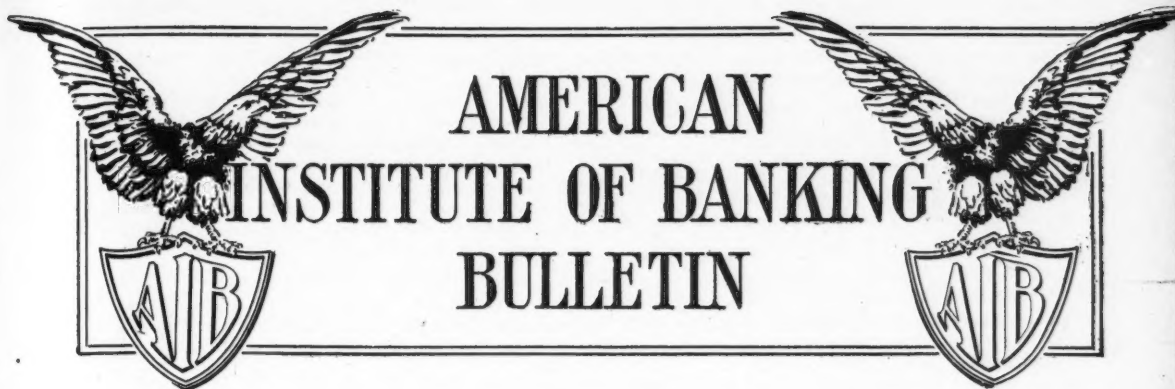
## ATTACKS UPON MEMBERS FROM SEPTEMBER 1ST., 1910, TO DECEMBER 31ST, 1910.

		Losses.	Total Losses.
Burglaries .....	3	\$5,793.74	.....
Attempted Burglaries .....	{ Professional ..6 } { Amateur .....4 } ..8	.....	.....
Hold-up Robberies .....	1	\$3,200.00	\$8,993.74

### MORTUARY RECORD OF MEMBERS REPORTED DURING DECEMBER, 1910.

Brown, M. F.—Cashier Peoples National Bank, Burlington Kan.  
 Hall, S. B.—Cashier First National Bank, North Bennington, Vt.  
 Hanhart, William—Secretary Savings Bank Section, American Bankers Association, New York, N. Y.  
 Hicks, R. H.—President First National Bank, Rockdale, Tex.  
 Higinbotham, George A.—Cashier Union Avenue Bank of Commerce, Kansas City, Mo.  
 Hobart, C. H.—Treasurer Braintree Savings Bank, South Braintree, Mass.  
 Kreider, Samuel N.—Assistant Cashier Exchange National Bank, Pittsburg, Pa.  
 Kuyper, A. N.—Vice-President Citizens National Bank, Pella, Ia.  
 Larrabee, Seth L.—President Chapman National Bank, Portland, Me.  
 McBrearty, James—Director The Ashland National Bank, Ashland, Pa.  
 Odell, John J. P.—Formerly President old Union National Bank, Chicago, and ex-President of the American Bankers Association.  
 Pereles, James M.—President Citizens Trust Co., Milwaukee, Wis.  
 Robbins, Levi—President Yates Center National Bank, Yates Center, Kan.  
 Spencer, R. P.—President and Director Deep River National Bank, Deep River, Conn.  
 Stout, M. S.—President First National Bank, Denton, Tex.  
 Swain, Lloyd S.—Cashier Merchants National Bank, New Bedford, Mass.  
 Swope, John A.—Director Washington Loan and Trust Co., Washington, D. C.  
 Tompkins, Logan—Cashier State National Bank, St. Louis, Mo.  
 Vanorden, Philip V.—Vice-President Catskill National Bank, Catskill, N. Y.  
 Whitaker, Col. Frank W.—President Miami Valley National Bank, Hamilton, Ohio.





#### OFFICERS OF THE INSTITUTE.

RALPH H. MacMICHAEL, President, Pittsburg, Pa.....Mellon National Bank  
 LAWRENCE C. HUMES, Vice-President, Memphis, Tenn.....First National Bank  
 CHARLES H. MARSTON, Secretary, Boston, Mass.....National Shawmut Bank  
 RENNIE J. TAYLOR, Treasurer, Savannah, Ga.....Citizens' & Southern Bank  
 GEORGE E. ALLEN, Educational Director, New York City.....Eleven Pine Street

#### INSTITUTE EXECUTIVE COUNCIL.

1911.  
 BRANDT C. DOWNEY, Chairman, Indianapolis, Ind.....Continental National Bank  
 RALPH H. MacMICHAEL, ex-officio, Pittsburg, Pa.....Mellon National Bank  
 LAWRENCE C. HUMES, ex-officio, Memphis, Tenn.....First National Bank  
 ALFRED M. BARRETT, Vice-Chairman, New York City.....Guardian Trust Company  
 E. A. HAVENS, Providence, R. I.....Mechanics' National Bank  
 A. WALLER MORTON, Chicago, Ill.....National City Bank

1912.  
 FRANK M. CERINI, Oakland, Cal.....Oakland Bank of Savings  
 WILLIAM S. EVANS, Philadelphia, Pa.....Rufus Waples, Banker  
 E. C. PHINNEY, Minneapolis, Minn.....Northwestern National Bank  
 CARROLL PIERCE, Alexandria, Va.....Citizens' National Bank  
 F. L. UNDERWOOD, Chattanooga, Tenn.....Hamilton Trust & Savings Bank

1913.  
 GEORGE A. BROWN, Denver, Col.....Denver National Bank  
 HENRY J. MERGLER, Cincinnati, Ohio.....Union Savings Bank  
 HERBERT H. OWENS, Baltimore, Md.....Farmers & Merchants' National Bank  
 HARRY F. PRATT, Cleveland, Ohio.....First National Bank

#### INSTITUTE NEW YEAR.

By Ralph H. MacMichael, President of the American Institute of Banking—Annual Convention of the Institute to be Held at Rochester, Thursday, Friday and Saturday, September 7th, 8th and 9th —Survey of Institute Educational Work—Splendid Results of Chapter Classes and Correspondence Instruction—Institute Extension Committee and Committees in Charge of the Coming Convention.

The annual convention of the American Institute of Banking for 1911 will be held at Rochester on Thursday, Friday and Saturday, September 7th, 8th and 9th. In deciding upon the dates named the Executive Council of the Institute gave due consideration not only to what seemed to be the general desire of Institute chapters but also conditions in the convention city and the preference of Rochester chapter.

#### Institute Outlook.

The Institute is prosecuting its purpose of educating bankers in banking more vigorously and with greater results than at any other period in its history. This fact is apparent in the reports made by the various chapters and has also been even more strongly impressed upon me in meeting and talking personally with the men who are conducting the affairs of the chapters in the twenty odd cities which I have visited since the Chattanooga convention.

#### Educational Results.

Figuring the educational work either in bulk or per member, the Institute is accomplishing more this year than ever before and this is true not of any one section of the country in particular, but of every section from coast to coast. The results being obtained are due not alone to the efforts of the men who locally and in the national organization are so successfully planning and pushing this year's work,

but in a large measure also to the cumulative effect of the work done by their predecessors.

#### Banking and Finance.

With a few exceptions the chapters are conducting classes in the course which is being furnished by the general office on "Banking and Finance," and everywhere good work is being done. In addition, some of the chapters are conducting classes in special subjects with splendid results.

#### Correspondence Instruction.

The success of instruction by correspondence is firmly established and is no longer the object of criticism and attack. The enrollment in the Institute's correspondence courses is growing and most excellent work is being done by students in this department. The disadvantage of studying alone is more than offset by the closer application made necessary by this very thing, and great value is also added by reason of the fact that the work is all set down in writing. The splendid results that are being achieved would justify the expense and trouble necessary to add thousands of students to the enrollment from among the bank men in the smaller towns. The Institute's correspondence department opens to such men new and unlimited opportunities.

#### Committee Appointments.

That Institute activity may continue and be extended, and that the annual convention may be in keeping with the character of the work done through the winter, the committees named below have been appointed:

#### INSTITUTE EXTENSION COMMITTEE.

A. M. Barrett, Chairman, Guardian Trust Co., New York; F. D. Brundage, Knauth, Nachod & Kuhne, New York; Joseph Chapman, Jr., Northwestern National Bank, Minneapolis; George H. Keese, Merchants' National Bank, Richmond; Fred I. Kent, Bankers' Trust Co., New York; W. F. Paull, representing National City Bank of Chicago, Seattle; F. M. Pollard, Exchange National Bank, Pittsburg; John H. Puellcher, Marshall & Ilsley Bank, Milwaukee; E. S. Wolfe, American National Bank, Washington, D. C.

#### CONVENTION COMMITTEES.

**PROGRAM**—R. B. Cox, Chairman, First National Bank, Baltimore; Irving H. Baker, First National Bank, Detroit; H. J. Dreher, Marshall & Ilsley Bank, Milwaukee.

**PUBLICITY**—J. H. Arthur, Chairman, Peoples National Bank, Pittsburg; J. W. Bradley, Old National Bank, Spokane; Leo S. Chandler, Los Angeles Trust & Savings Bank, Los Angeles; John Dane, Hibernia Bank & Trust Co., New Orleans; Leigh Sargent, First National Bank, Chicago; W. E. Stevens, Bronx Savings Bank, New York.

**TRANSPORTATION**—George A. Jackson, Chairman, Continental & Commercial National Bank, Chicago; William A. Day, Savings Union Bank, San Francisco; J. J. Hefflin, First Savings Bank & Trust Co., Nashville; F. R. Nisbet, Citizens' National Bank, Macon; B. W. Pettit, Dexter, Horton & Co., Seattle; William M. Rosendale, Market and Fulton National Bank, New York.

#### FINANCING COTTON.

By John J. Arnold, Manager of the Foreign Exchange Department of the First National Bank of Chicago—The King Crop of the World and How it is Harvested and Marketed—Clear Explanation of Seemingly Complicated Banking Transactions—Differences Between American and European Bankers and Cotton Dealers—Address Before Chicago Chapter.

I take it that the reason why a request has been made by the officers in charge of our Chapter that I speak to you on the subject of cotton bills of lading or the financing of cotton, is due to the fact that during the year which is just drawing to a close much has been printed in the daily papers concerning the controversy between the European bankers and buyers of cotton on the one hand and the American bankers and exporters of cotton on the other.

This, of course, makes the question a live one at the moment. But even if this quest for information on the subject did not exist, the production of cotton in our country in itself would be a most interesting theme for a gathering of bank men to consider. You no doubt are aware of the fact that our Southern States have produced many of our most flowery orators, and if there is any one subject on which they delight to speak over and above any other, it is on the Royal Plant—King Cotton. Henry Grady once exclaimed: "The world waits in attendance on its growth; the shower that falls whispering on its leaves is heard around the earth; the sun that shines on it is tempered by the prayers of all the people; the frost that chills it and the dew that descends from the stars are noted, and the trespass of a little worm upon its green leaf is more to England than the advance of the Russian army on her Asian outposts. It is gold from the instant it puts forth its tiny shoot. Its fibre is current in every bank and when, loosing its fleeces to the sun, it floats a sunny banner that glorifies the fields of the humble farmer, that man is marshalled under a flag that will compel the allegiance of the world and wring a subsidy from every nation on earth."

Nor did this Georgia orator in any way overestimate the importance of the subject. One writer says: "We do not exaggerate when we claim that no other plant in all the vegetable kingdom is of so much importance to the human race. Destroy any fruit plant in the world, and men would grow other fruits. Let any lumber become extinct to-morrow, and other trees will take its place and our building go on as before. Even if corn or wheat should perish from the earth we could grow enough of the other crop, supplemented by rice, oats, barley, rye, peas, beans, etc., to feed both man and beast with comfort. But there is no substitute for cotton that can be cultivated on a large scale; no substitute, animal or vegetable product, with which civilization's present demand for clothing could be supplied."

Cotton unquestionably contributes to a greater variety of human needs than any other plant of the soil. Let me quote to you what another one of our Southern orators has said: "From pole to pole, in every zone and clime; from the cradle to the grave,

in every stage of life; from prince to pauper, among all sorts and conditions of men, it is of course the chief material used for clothing, but every year more and more of its products are brought to our tables, and it is called upon to feed a steadily increasing number of our flocks and herds. You get up in the morning from a bed clothed in cotton; you step out on a cotton rug; you let in the light by raising a cotton window shade; you wash with soap made partly from cottonseed oil products; you dry your face on a cotton towel; you array yourself chiefly in cotton clothing; the "silk" in which your wife dresses is probably mercerized cotton; at the breakfast table you do not get away from King Cotton; cottolene has probably taken the place of lard in the biscuit you eat; the beef and mutton were probably fattened on cottonseed meal and hulls; your "imported olive oil" is more likely from a Texas cotton farm than from an Italian villa."

The world's production of this article is approximately 17,000,000 bales annually, of which in round figures 12,000,000 bales are grown in the Southern States of our country. The East Indies produce approximately 3,000,000 bales, Egypt, 1,500,000, Brazil, etc., 200,000. In India the production has been decreasing, while through the modern methods of irrigation employed in Egypt the production of that country has shown a steady increase during the last few years. The soil of India is well adapted to cotton growing but the climate is not so favorable—too wet in some places and too dry in others, and the average yield per acre is only one-half the average of the American yield. As civilization advances the demand for cotton goods must necessarily become greater. When the many millions of the inhabitants of the uncivilized portions of the world will have been taught the use of clothing, who shall supply the demand? As already indicated, India is not likely to very materially increase her output, and even though Egypt should cultivate her available soil, the limit will soon be reached. It is estimated that to clothe the entire population of the world would require an annual production of 42,000,000 bales of 500 pounds each. It would appear therefore to be safe to predict that the cotton industry will continue to expand until the peoples of the whole inhabited earth are clothed with the product of the loom. Although the United States at the present time contributes approximately seventy per cent. of the world's cotton crop, it is altogether likely that as time advances the percentage must and will be increased. It is claimed that we have enough available idle land to grow 30,000,000 bales annually with the present low average yield per acre. In the twelve cotton States one acre in seventeen is now planted with cotton, and only one acre in eleven in the cotton producing counties. In all only about two-fifths of the farm lands of the South are as yet improved for any sort of crop.

To us, therefore, as Americans, and especially as bank men, the question of financing this immense production should not only be of great interest but also of concern. Years ago when many of the Southern farmers were quite poor many of them lived practically from hand to mouth while a larger number were compelled to seek financial aid in order to

enable them to even plant the seed. This was given by cotton factors, who advanced money to the needy cotton grower, taking as security a lien on his crop. This is still practised although to a smaller extent. The usual advance is \$10 or more on the acre given at the highest legal rate of interest. By borrowing on the crop in this manner they are able to tide over the space of time intervening between the seeding and the marketing of the crop. The cotton when ripe is picked by hand and spread for drying. This, of course, requires the employment of a large number of people—principally colored labor being employed. It is then taken to the gin where the seed is removed and the cotton baled in packages 28x56x42 inches in size weighing approximately 500 pounds (including twenty pounds bagging and steel straps) thus having a density of about fourteen pounds per cubic foot. It is then shipped to one of the larger concentrating points where it is assorted according to grade, compressed and marked, the size being reduced to 28x56x18 inches, giving a density of 28 to 30 pounds per cubic foot. The cotton is now ready for shipment to the mill or for export. In many instances, however, the cotton is merely sent on consignment to the cotton factors, who put the same in storage, making an advance of possibly sixty to seventy per cent. of the market value, and when the cotton is finally sold the cotton factors are reimbursed for the amount advanced, plus interest, insurance and storage charges, and the balance is remitted to the shipper. While the cotton factors are usually of strong financial standing they necessarily must be heavy borrowers during the season on account of the large advances made by them on cotton stored in their warehouses, and although they do not own the cotton outright, their bankers do not hesitate to make loans, taking the stored cotton as security, and outside bankers would not need to hesitate in making advances by way of loans secured by cotton thus stored. Not all of the cotton, however, is handled in this way. Much of the article is sold by the farmers to the mills direct, or if not direct, through the medium of cotton buyers. This cotton is delivered to the railroads who issue bills of lading which are delivered to the shipper, who in turn draws his draft on the consignee, attaches bills of lading, insurance certificates, etc., and negotiates the document through his local banker. These local bills of lading are eventually delivered to the consignee by his bankers who charge the draft to his account. The consignee then delivers the cotton to the compress and in return receives compress receipts, which at the close of the day's business are delivered by him to his bankers, who hold the same as collateral against his obligation caused by the bank having honored the draft drawn against the shipment to the consignee's debit. In the event of the consignee making sale to an American mill new local bills of lading are secured from the railroad, and the consignee, who now becomes the consignor, in turn draws his draft on the mill in question through his bankers, who credit his account for the amount thus drawn less exchange. In this way it becomes necessary for the cotton men to constantly make exchanges, and it is customary at the opening of business each morning for the cotton men to call upon their bank-

ers, who deliver to them the wallet in which all the collateral of the particular firm in question is kept, and the same is in possession of the cotton men until the close of the day's business. It will therefore be seen that in this way the banks during the entire day are without the collateral against which they have made advances, from which it will be understood that the question of the moral standing and character of the cotton men is of the greatest importance to the bankers of the South. This method of handling collateral, however, makes it impracticable for Northern and Eastern bankers to make loans against the same. If a cotton merchant, instead of selling to an American mill makes a sale to a foreign buyer, which is usually done by cable, the compress receipts covering the cotton sold are taken out of the wallet above referred to, upon delivery of which to the compress the cotton is released to the cotton merchant who delivers the same to the railroads, and secures from them, through bills of lading, which are then taken by the shipper to his bankers and delivered as collateral covering his drawings on foreign countries, which drafts are sold to banks doing a foreign exchange business, invariably on competitive bids. These drafts are always drawn in the currency of the country on which the same are issued. If, for instance, a Chicago bank should secure any such bills, the cotton merchant would convert the same at the rate of exchange agreed upon and value upon the Chicago bank by drawing his draft in United States dollars, payable on demand, and his foreign draft, together with all appertaining documents, would be attached to the domestic draft and negotiated through the local banker in the South. The Chicago bank, upon receipt of such drawing would examine the documents to see that none were missing and that everything was in order and forward the same to its foreign correspondent with definite instructions as to the disposition to be made thereof. Inasmuch as the bills of lading are the principal security back of all these drawings it will be readily understood that it is of the greatest importance that the character of the shipping documents be unquestionable. In order that the weight of this statement may be all the more appreciated, let me say that of our entire production this year, amounting to approximately 11,500,000 bales, sixty per cent., or in round figures, 7,000,000 bales, having a value of approximately \$525,000,000 are for export. This amount exceeds the combined total of all other of our products of the soil consumed in foreign countries.

Covering the drawings against cotton exports principally three methods of reimbursements are employed. By far the largest percentage is shipped under foreign bankers unconfirmed credits. If, for instance, a cotton merchant makes a sale to a cotton buyer in Europe, he is usually informed by cable as to the method of reimbursement, and if under a bankers credit the name of the bank is stated, and also the tenor of the drawing—at sight, 3 d/s, 60 d/s, 90 d/s, and in some cases 180 d/s. When the name of a foreign bank is given as reimbursement it is understood that the foreign buyer has made arrangements with the bank in question for the acceptance of the draft upon arrival, and such draw-

ings are always purchased by the American foreign exchange buyer with the understanding that documents are to be delivered to the drawee bank against its acceptance. After such delivery of documents the American foreign exchange buyer does not look to the cotton as collateral but holds the accepting bank and the drawer of the bill responsible. One of the reasons why the foreign banks do not confirm the issuance of the credits to the American buyers of the exchange is because they do not know by whom the exchange will be purchased. It is therefore essential that the American banker be well informed as to the character, moral and financial standing of the drawers of the drafts. And be it said right here to the credit of the cotton men of the South that very few of such drawings have been dishonored, and when such has been the case, it usually was due merely to an oversight on the part of the European buyer and has invariably been readily arranged for by cable. Another method employed is by drawing drafts, documents to be delivered against payment.

This is usually done where European cotton buyers have direct representatives in the South, who purchase and ship cotton to their principals without the intermediary of foreign bankers. Such drawings are usually purchased by the American foreign exchange buyer in limited amounts and forwarded to a foreign bank for acceptance by the European purchaser, who in turn is at liberty to take up the bills as the cotton may be needed at any time prior to the maturity of the bills, the prevailing rebate rate being allowed when thus taken up. Another class of drawings which are offered from time to time are drafts drawn on spinners direct, documents to be delivered against acceptance or payment as the case may be.

When the volume of business transacted through the banks in the financing of cotton exports is taken into consideration the percentage of losses through frauds is comparatively small, and principally five methods have been successfully employed. The first and least important was that of packing foreign substances of a weighty character within the bales. This was done to a limited extent some years ago, but owing to the modern methods of compressing which result in a bale eighteen inches in thickness instead of forty-two as formerly, foreign substances are much more readily detected and it is not considered profitable enough to make it a temptation to take the risk. The second method of fraud was made possible by the loose and careless manner in which the railway agents signed bills of lading before the cotton had actually been delivered. The exporter, for instance, would go to the agent and state to him that he had a given number of bales of cotton for export and request the agent to issue through bills of lading, promising that he would deliver the cotton within the next few days. The railway agent would have no evidence whatsoever that the cotton for which he had issued bills would ever be delivered and the exporter could deliver the documents to his local banker, negotiate his draft, take credit for the amount, and if all went well in the course of a week or ten days the cotton would arrive, be compressed and shipped according to contract. In the meantime, however, the banks which had advanced



the money had actually no collateral in their possession. In some cases the railway agent would have in his possession local bills of lading calling for the cotton in question, but oftentimes would only have the word of the exporter. In several instances the railroads of the South have contested claims made against them on account of frauds of this character perpetrated by exporters, the plaintiff in the case claiming that the railroad was responsible for the acts of its agents. The courts, however, held that where an agent exceeds his authority and acts contrary to the instructions from his principals, the principals are not to be held responsible. In other words the railroads are to be held responsible only for the legal and authorized acts of their agents. In many cases the original purchaser of the cotton ships the same direct to the compress, in which case the compress receipts covering the cotton in question are delivered to the railroad by the compress company. These receipts state specifically that the cotton is held for account of the railroad, and show marks, numbers, etc., corresponding with those on the bills of lading. It is understood that the cotton must either be in the actual possession of the railroad company (on its own premises) or in possession of the compress (on its own platform) which practically is one and the same thing. The various compresses are required to furnish bonds to the railroad to cover any losses that might occur by failure to deliver cotton called for by receipts issued by them to the railroads. After cotton thus shipped to a compress for concentration has actually been received by the compress the railroads issue through bills of lading covering the shipment of same to foreign destination. A number of years ago the owner of a compress in Arkansas issued compress receipts for several thousand bales of cotton, none of which, however, had been received or held by the compress. He then exchanged these receipts for bills of lading which he negotiated. This was made possible only by the extreme negligence of the railroad agent, and the railroad company finally paid all losses in connection with the same, the party committing the fraud going free.

Another method, of which, however, only one instance is on record, took place last year: A firm in Bowie, Texas, sold 400 bales of cotton to a Galveston house, and requested the compress in Bowie to split the bales making two out of one. This the Bowie compress refused to do. The cotton was then shipped to Wichita Falls, where a compress made 800 bales out of 400, weighing approximately 250 pounds each, instead of 500 pounds, the weight of the ordinary bale. The cotton merchant then delivered to the railroad company the 800 bales which originally had been 400 bales and secured bills of lading covering the larger number. The draft drawn by the cotton merchant was for the value of 800 bales, and the Galveston firm not being aware of the splitting of the bales, honored the draft upon receipt. The fraud was not discovered until after the parties concerned had made their escape, and the Galveston firm are now suing the railroad company, the compress and also the bank through whom the draft was originally negotiated.

The most recent and largest fraud was perpetrated by means of forged bills of lading. I have ref-

erence now to the Knight-Yancy and Company and Steele-Miller and Company manipulations. The firms in question in some way secured possession of blank through bills of lading, and when an actual sale was made by them to a European buyer they would fill out a set of ladings, draw their draft on the European reimbursement, negotiate the same through their local bankers, take the funds and go into the market and buy the actual cotton, which would be shipped in due course. The genuine bills of lading, however, were destroyed. The draft of course would go forward and the European banker, not being expected to pass upon the genuineness of the signature on the ladings, naturally accepted the draft, and in due course delivered the documents to the buyer, who received delivery of the goods upon arrival. Thus far no harm had been done except that the drawers of the drafts had been practically borrowing funds on which they did not have to pay interest. It of course must be understood that the European buyer frequently has to wait a considerable length of time before the goods shipped against genuine bills of lading arrive, and on this account no suspicion was aroused, and the American firms, realizing their tremendous advantage in working on borrowed capital without paying interest on the same, gradually increased their transactions, and in the end when they, through speculation, got into deep water, negotiated such drawings mounting into the millions without buying and shipping the cotton. The drafts, having been accepted by the European banks, of course had to be honored by them at maturity and they in turn collected from their clients wherever it was possible to do so. Some of the American banks who had exchange in transit when the failure came had to stand the loss to that extent.

It was this fraud which stirred the European bankers and cotton buyers to such an extent that they decided not to accept any more drafts drawn by American exporters of cotton without having a guaranty of the American buyers of the exchange covering the genuineness of such bills of lading. And looking at it from their viewpoint we certainly cannot blame them. The American bankers, however, decided that under no consideration could such a guaranty be furnished, especially since the European bankers themselves had established a precedent by notifying the American bankers that they would not be responsible for the genuineness of bills of lading delivered to them under our commercial letters of credit covering imports into the United States. A rule which does not work both ways naturally does not appeal to the American banker, especially when it is proposed that the operation should be exclusively in favor of the other fellow. It might, of course, be argued, and with success, that the railroads and transportation companies in foreign countries are more careful as well as strict with regard to the issuance of their documents, and our answer to this is that under the circumstances the American bankers have stronger ground for refusing to furnish a guaranty than have European bankers. We must, of course, keep in mind that the American buyers of foreign exchange are not the banks of the South but principally New York, Chicago, Philadelphia, Boston, St. Louis and Kansas City banks, and even though they should have been successful in securing

from the Southern banks a guaranty for their own protection, the same would practically amount to very little or nothing when the amounts involved are considered. Aside from this it was concluded that the National Bank Act prohibits national banks from furnishing such a guaranty. On the other hand, however, the American foreign exchange buyers agreed with the European bankers and cotton men that greater protection should be given to all concerned. This resulted in a conference being held between a committee of American foreign exchange men and representatives of the various railroads handling cotton who together agreed upon a method of officially validating bills of lading issued by agents of the railroads, under which special forms of validating certificates must accompany bills of lading. These certificates are handled by the railroads in as careful a manner as are their unissued passenger tickets, and the methods employed by the auditors of the roads in checking up the same are such that a fraud either through issuing bills of lading without having received the goods or the negotiation of forged bills of lading should be impossible. This, however, at first did not suit the European committee. Nevertheless, Europe needs our cotton just as much as we need her money, and when the European committee realized that they could not induce the American bankers to furnish the guaranty requested they very diplomatically sidetracked the question for the time being by postponing the time when their decision should go into effect. The time limit has but recently been entirely eliminated. They have, however, substituted another proposition which is at present having the consideration of the American bankers, but has not as yet become public property.

The Texas legislature passed a bill which went into effect on November 1st of this year, the aim of which is to place greater responsibility upon the railroads. This together with the requirements under the validating certificate has for the time being at least resulted in a more satisfactory method of issuing bills of lading. Nevertheless there is still much room for improvement. The committee of the American Bankers Association which has prepared and submitted to Congress a uniform bill of lading is in close touch with the situation, and the experiences of the past year should certainly carry weight with the Senate in hastening the passage of the Uniform Bill of Lading Act, which has already passed the House of Representatives. This would be an important step in the right direction, inasmuch as the bill in question makes the railroads and transportation companies responsible for the acts of authorized agents.

"Where sleeps the poet who shall fitly sing  
The source wherefrom doth spring  
That mighty commerce which, confined  
To the mean channels of no selfish mart,  
Goes out to every shore  
Of this broad earth, and throngs the sea with ships  
That bear no thunder; hushes hungry lips  
In alien lands;  
Joins with a delicate web remotest strands;  
And gladdening rich and poor,  
Doth gild Parisian domes,  
Or feed the cottage smoke of English homes,  
And only bounds its blessings by mankind."

## CHARACTER.

By Dr. C. B. Meding—Synopsis of an Inspiring Address Delivered Before New York Chapter.

I propose to give you to-night a few thoughts of the greatest of all banking subjects—character. To answer the one question Mr. Cannon asked, "What is the psychology of getting business?" I would say personality, and that depends on character. I suppose you have all heard it, but I was surprised to find that originally character was something to write with, but in the same way many things have of changing from the thing signified to the thing itself, the name of this tool for graving has gradually come to be called character, the thing engraved; that which we praise, that which we talk a great deal of, that which stands pre-eminent in every man who raises any standard of excellency in work, giving the quality, the make-up, the personality, the what you will—character. It is most important. It appeals to us to-night. We will give it an entrance into this hall along the pathway of education. We will say that this institution stands for education and sociability. Of course, we all believe in sociability, we believe man to be a social animal. You can generally trust him to take care of education in that sphere, but to many of us all other education is a question of labor, and like every other product of labor, it is measured by the amount done. But education is used to make this character. With it I grave before you all my worth. I am the character I have graven. You see what it is worth by its work. If I have fitted myself physically, you see before you my physical character. It is the foundation of work and well being, because there can be no well being without physical health; so with my intelligence. But if I offer you the character of intelligence and of a physique and give you nothing more, I give you little else than does the animal. I must give you more. I must give you soul and so make the trinity of mind and body and soul, and you cannot change the members of this trinity with impunity. These are the corner stones that must be fitted and layed. Some of you have read the magnificent essay by Emerson on Character. Just as soon as I speak to you on character you would open your Emerson, the heritage of every American, Emerson our American philosopher. In that essay you will read: "Men of character are the conscience of the society to which they belong." You have a fashion in hats and pens, no fashion in character. It never changes, there is no new style, and yet because character is figured after the ideal it ever advances and as it advances we follow and shall always. All men have this one great thing in common, the desire for developing character. I wonder how I can put to you without seeming to preach, something that will make you feel that your character is the thing to be thinking of every waking minute.

This is a strange country in which we live. Everybody is scanning the signs of the times. The banking profession, medical profession—I think maybe even the clergy think about it—everybody—men in the streets, women in the homes; in fact, I know of no similar search. All people are asking: "What is the common level of morality? What is

the level of honesty? What is the level of dishonesty? How far can men go into their neighbor's pockets and still be called straight? How far can you imitate the signature on a piece of paper and still keep inside the decalogue?" Everybody is asking. We tell of one man's crime and we keep back half the story because we wake up to the fact that we are implicated and can go no further. Some make it a national question, some a racial problem; but the question is, after all, an individual one, and the answer is the measure of individual character. No ethical complication of this or any other age can perplex the character that moves on and is uprightly nourished, wisely cherished and generously shared. But if it moves not it is lost. There is only one thing in the world that succeeds by sitting still and that is a hen. (Applause and laughter.) Everything else and everybody else has got to move. You might just as well lock yourself up in your pocketbook and think to study banking. Let me lead you along with my thought. Let us grant every one a character, a tablet of marble, clean, unspotted, soft to the eye and pure, and this life the graving hand; ours to cut and set and by it be judged.

The first thing we have got to do with character is to nourish it. You know how to nourish your body, you take food. You know how to nourish your mind, you study. So you must nourish your character by taking in, absorbing and eliminating. Is it worth anything to you that there is a need for good character? Is yours good? Did you ever measure character? Is there such a thing as your looking at one's character, and if there is, did you ever look at yours straight? The best way to do it is to look in the looking glass. Most people who thus look say there is a flaw in the glass. (Laughter.) Let us nourish character. But what of the food?

How do you stand to-day, for instance, in this city, this great market which offers you the things you need? How many of you have tickets for the theatres of New York for the coming fortnight? What is your choice of play? If there were twenty-five different high-class entertainments offered the bank clerks, how many of them would select vaudeville? Answer this: If you all walked into a library and each took a book, how many of the books would be worth while? How many of you care for a flower—a real flower? How many of you have talked with Henry Van Dyke on the question of "Days Off"? This is the nourishment that the great city of New York offers: libraries, museums, parks, the best of schools, the finest pictures, the greatest buildings. It offers you everything and free. How many of you have taken its best for the nourishment of your character? It is open to you and you have time. Benjamin Franklin said: "I have all the time there is, I could not have any more." (Laughter.) We will say you have some of it.

We must cherish character. How many of you cherish it? Do you know what it is to cherish? You know how you treat the girl you love. You cherish her. You cherish your family if you have one. You cherish everything you love, don't you? Do you love your character? God knows how poor the thing is, but it is yours. What do you do to the things you love? Maul them, maltreat them? You would not take your wife into the brothels of

the city for a spree, but do you open your character to the perils of an unstable and insinuating press, to the companionship of the indolent? Is that cherishing character? But there is more. It is not enough to have intelligence. There are lots of bright people in the country. The universities turn out as talented men as the world has ever known, but "They need more than talent, they need the power of making that talent trusted." Intellectuality backed by power to make it useful. You have got to nourish and cherish your character, keep it free and clean and give it room in which it may grow. Treat your character as you do the things you love best and see it thrive. Then, gentlemen, you must make it useful and it can be useful only as it is trustworthy. By training men to be priests, physicians or bankers, you don't necessarily make them great characters. Don't forget that. There are many parts to the education of a man. There are people in this country who hold gold medals won in college competitions who would cut your throat as quickly and as willingly as they have cut their own. Every big thing, every development is not necessarily a good thing, mere bigness is not creditable. The cripple's hump is a large thing, but does not make for beauty or usefulness. There must be harmony, our character must be in tune. We must study brotherhood. You have not the character worth while if it has not in it the throb of warm blood. (If there are any of you in savings banks, think of that.) (Laughter.) I am not a bank president, and never could be. I would be absolutely sure to lead the best Board of Directors that ever lived into bankruptcy. I know it, but it is not because I possess soul. If there is anything despicable it is the man whose soul smells of the bills he counts. (Laughter.) Cultivate the soulful character. You need it every day. Then being furnished with nourished, cherished, soulful character, "climb." President Cannon says "dig." Do I hear the answer: "What's the use. You can climb and you can dig, but there is nothing in it. I have worked for many years in a place, and they have just brought a man from Kentucky and put him over me." (Laughter.) Well, that is not a special privilege of bankers. A man who has been serving to be a surgeon in an eye, ear and throat hospital, said to me the other day that he had given up working for the surgeonship, as they brought one from Minnesota. He ought to give up. You ought to give up if you find you are topped. It is time for you to make a change, to find your real place, for you would not be topped if you were not an underling. And yet, my friends, the character I am thinking of is for better, higher, quite different success. If you think of position and salary; salary and position that must rise before you can rise, you will stay unhappy. I urge you to climb the steep ascent of good for character's sake. To run the race not for the prize but to prove your fitness. Believe me, that with that real fitness there will come every good thing. Along that different path, that straighter way will come reward and uplift. I believe there is happiness in such life far greater than material emolument. For with such character comes growth of soul, comes a thousand fold increase in the pure gold of the everyday earnings. Let the riches and glory of your life be the worth of your character to your time. Keep it as a holy thing, guarded by prayer and service. Nourish it, cherish it, share it. Be up and doing. Be always willing to say



today: How do I measure with yesterday. And count that day lost when you cannot answer: "Better, better, O my soul, Still on."

#### TEXT-BOOKS AND TEACHING.

**Decision by a Chicago Court that the Two Elements of Education are Inseparable—Evidence in Support of the Institute Principle of Instruction.**

The Institute principle that text literature and personal instruction are inseparable in education was recently upheld in the county circuit court of Chicago. The Chicago Tribune says that the Illinois maximum text book law, passed by the last legislature to regulate the prices that may be charged for books used in the public schools, was declared unconstitutional by Judge Walker in the Cook County Circuit Court. The decision was given in the suit of Paul Polzin, a taxpayer, to restrain the Chicago Board of Education from carrying out a contract with Rand, McNally & Co., publishers, the prices in which were higher than those provided in the law.

The decision was based largely on testimony given by Mrs. Ella Flagg Young, superintendent of schools. The board of education made the contract in question after the publishers had declined to submit texts within the scale of prices fixed by law. Polzin stated that the schools could be conducted without text books, at least until the publishers reduce their prices.

It was on this point that Mrs. Young was called as an expert witness and a "battle of books" between her and Senator Samuel A. Ettelson, author of the law, and representative of Attorney General Stead in the suit, resulted.

"Could not the schools be conducted without text books for a time and the lecture system be relied on?" asked Attorney Ettelson.

"They could be conducted as kindergartens and social centers, but not as schools," replied Mrs. Young.

"Isn't it a fact that the teacher has more influence than the text book on a given point?" asked Mr. Ettelson.

"You are expecting the teacher to have a vast fund of information," returned Mrs. Young. "Don't you turn back in law to Blackstone and other books instead of trying to recall what some lecturer in a law school said?"

Attorney Ettelson did not press this point further.

"Would you say that if the grammar schools of Chicago do not have school text books they would be closed?" then asked Mr. Ettelson.

"They would be closed as schools. The teachers could not handle the great numbers of children that are given in their charge."

Attorney A. R. Shannon, for the board of education, intended to put on other witnesses, but decided to rest his case with Mrs. Young's testimony. Judge Walker then announced his decision. The ruling will be appealed to the State Supreme Court.

#### WHERE, O WHERE?

By Max Adamsky.

New York Chapter now has over 1,400 members and is still growing. Why? EDUCATION! Where, O where are the Chapters run (?) on the vaudeville basis?

#### CURRENCY CONSIDERATIONS.

**By J. Howard Arthur of Pittsburgh Chapter—Analysis of Past and Present Conditions and Some Suggestions Toward Solving the Financial Problems Which Confront the United States.**

The currency question is a broad one and one on which we have heard a great deal of discussion during the past few years. We who are actively connected with banking institutions can vividly remember our panic of 1907. The direct causes of this panic are as many and varied as the writers who have handled the subject, but it is admitted by eminent and leading financiers of to-day that our American Currency played a leading part, if not in causing, at least in prolonging this panic of 1907.

#### Present System Inadequate.

It has been apparent for some time that our currency system, as it exists to-day, is entirely inadequate for the requirements of the country. This has been very noticeable during the crop moving season. Every fall we have a tight money market, caused by the inability of our currency to meet the demands.

Authorities differ as to the remedy, but on one point they seem agreed. That point is this, that our currency is not elastic enough to meet the requirements. Our currency as it exists today consists of quite a motley variety of metal and paper. Let us take the different divisions and see which of them offer any relief from our present dilemma.

First, we have our United States Notes, more generally called greenbacks. Here we have a division of our currency that rests directly on the credit of the Government. They are mere promises to pay, mere pieces of flat, issued during the Civil War, more than forty years ago. They have never been paid or cancelled, nor retired by funding, simply because neither the Republican party nor the Democratic party has had the political courage to do its duty, and eliminate this ever threatening danger.

These United States notes have remained to this day a disgrace to our economic wisdom, a monument to our political cowardice, and what is more, a serious menace to our national credit. Some of us can very distinctly remember the horror of 1895, when the credit of this nation hung over the precipice of dishonor, and when we were within forty-eight hours, possibly twenty-four hours, of national repudiation, for apprehension had set the endless chain of greenbacks to work, and our one hundred million of gold had dwindled to forty-one million dollars. At that critical moment Ex-President Cleveland had the intelligence, the courage, and the foresight to engage the services of that great financier, Mr. J. P. Morgan, through whose aid our national honor was maintained by controlling the exchanges until we could recoup our gold. On February 12, 1895, the net gold in the Treasury amounted to \$41,340,181.11, the lowest record since the resumption of specie payments January 1, 1879. Who can tell when this slumbering danger will again threaten the credit of the nation and shake the finances of the



Government and the commerce of the country to its very center?

We have absolutely no remedy from this source and yet some currency crazed fanatics advocate increasing our supply of greenbacks.

Second, we have gold coin, including bullion, having intrinsic value. The only path open for an increase of our gold supply is the mining of more nuggets, or the importing of gold from foreign countries that owe us a balance in trade.

Third, we have gold certificates which are simply certificates issued against gold held in the Treasury. This form of currency is simply a convenience and offers no loophole for reform legislation.

Fourth, comes our silver dollars and here is another form of currency that can not be expanded. A silver dollar passes current as a dollar simply because the Government says that so many grains of silver together with a certain amount of alloy shall be a dollar, and guarantees to redeem them as such. A silver dollar does not contain a dollar's worth of silver. In 1893 a panacea of more silver was offered Mr. Grover Cleveland. But he vetoed it and settled for us the question of relief from that source.

Fifth, silver certificates are based on silver held in the treasury and again we have no offer of help from them.

Sixth, subsidiary coins are simply made for convenience sake and can not really be considered a distinct form of our currency, but rather a division under silver dollars. They offer no relief.

Seventh, we have treasury notes of 1890. They represent a former privilege of owners of silver bullion to take certificates and deposit bullion at the coinage value. This privilege has been canceled by the Government.

Eighth, we come to our present system of National Bank Notes. A National Bank note is a promise of a National Bank to pay to the holder or bearer, on presentation, the amount named in the face of the bill, in legal tender money of the United States.

This division of our currency seems to be the best fitted to help alleviate the strain and stress of a currency stringency or panic. It is this division of our currency that has held the reformers and financial writers at bay for the last five years. The most plausible remedies are based on this division and I think that our National Bank notes will be the means of furnishing this country with relief in times of panic or stringency, unless they are entirely eliminated and a pure credit currency issued in their stead.

Although our National Bank notes fail to increase or expand as the requirements of the country demand, still we have more money per capita in this country than in any of the great commercial countries of the world, except France. On May 1, 1908, it was \$35.37 per capita or greater approximately by \$10 than it was ten years ago. This goes to prove that our currency is not of the right kind, or we would be able to get along just as well as our friends across the water, for they have even less per capita than we have in this country.

#### Temporary or Permanent Reforms.

Now the question immediately arises, is it an

emergency currency that this country needs, or is it a currency that will permanently remedy the trouble with which we have been contending?

If there is something fundamentally wrong in our currency which brings about these periodic financial disturbances, then what we need is legislation to remedy the underlying defect, and not something that will be but pouring oil on the waters to quiet them after the storm has burst. This is certainly a matter for mature deliberation, for careful consideration, and should at all times be free from the frenzy of the passing hour.

#### Congress and the Currency.

After two or three years of talk and clamor for currency legislation, with the recent panic of 1907 vividly before them, Congress did finally agree and passed a bill which was aimed at our currency troubles, but which missed the real defect. They called it the "Aldrich-Vreeland Bill," and it was really a compromise measure between the House and Senate and left the country as far from a solution as it was in the beginning. The one redeeming feature of the bill was its admission right on its face that it was inefficient, by authorizing the appointment of a commission, to be known as the "National Monetary Commission." Bankers in the metropolis, and throughout the country at large, have not taken this bill seriously, for although just after its passage there was quite an active effort to comply with its regulations, still a little later all preparations were dropped, and the country is now in a state of repose, with plenty—in fact too much—currency, and patiently waiting for legislation of a permanent nature.

#### The Aldrich-Vreeland Bill.

Let us briefly consider the Aldrich-Vreeland bill. "The Aldrich Bill" originated in the Senate and the "Vreeland Bill" in the House of Representatives, and they were finally amended and consolidated into one bill. This bill became a law May 30, 1908, and provided for the formation of national currency associations, the issue of additional national bank currency, and the creation of a National Monetary Commission.

It required under certain conditions the deposit of any securities (including commercial paper) that the bank might hold, as a basis for additional currency. On securities of this nature banks could issue up to seventy-five per cent. of the value of the securities pledged. This class of circulation must be arranged through the supervision of the national currency association to which the bank applying belonged.

Banks were also permitted by this act to issue currency on other than United States bonds, provided they had already outstanding bond secured currency equal to forty per cent. of their capital stock. On this class of security they were permitted to issue up to ninety per cent. of the value of the bonds so pledged. It is useless to consider this bill at length or to go into it in detail, for it was simply fed to the always unsuspecting American people, to satisfy their cry for legislation.

#### National Monetary Commission.

There were numerous other features contained in this bill, some of which were good and others

that were not so good, but the best feature of the bill was the creation of a National Monetary Commission. This act makes it the duty of the Commission to report to Congress, at the earliest date practicable, whatever changes are necessary or desirable in the monetary system of the United States, or in the laws relating to banking and currency. Up to the present time this commission has not reported to Congress, but it has been very active, and different sub-committees have investigated various foreign systems, and are going into the investigation very thoroughly.

It looks as though the country at large were going to be greatly benefited by this investigation, and we look forward with keen anticipation to the report of this very important Commission. This step looks toward a sound and permanent revision of our currency.

#### Fowler Bill.

There were a number of bills and measures proposed in Congress, among which the following contained some very sound and meritorious principles: "The Fowler Bill," "The Plan of the American Bankers Association," "The Aldrich Bill," "The Vreeland Bill," and "The New York Chamber of Commerce Plan."

1. "The Fowler Bill" advocated the retirement of all the bond secured National Bank notes and the re-issuing in their stead of a currency based on the assets of the banks, or in other words, on the wealth of the country. This bond secured currency was one of the immediate and direct causes of our recent very deplorable situation. What was the cause of the most disgraceful incident in the business life of this nation?

#### Bond Secured Currency.

It was the bond secured currency which bears no relation whatever to the business of this country. You ask what was the origin of this bond secured currency. Let us go back to 1863. When Secretary Chase wanted to raise money to carry on the Civil War, he devised this scheme of basing our currency on Government bonds, and by imposing a ten per cent. tax upon the bank note circulation compelled the bankers to buy the United States bonds and issue circulation based upon them. It was a bond selling scheme in its inception and it has never been anything but a bond speculating scheme ever since.

From 1882 to 1891 this bond secured currency, though the country was expanding and growing in every direction, fell from three hundred and sixty-two millions to one hundred and twenty-five millions, and this was in the face of the fact that the period was one of prosperity and expansion. It contracted two hundred and twenty-five millions simply because it did not pay to hold the bonds.

From 1891 to 1900 you will find upon investigation that the bank notes often decreased from July to December, when they should have increased from two hundred and fifty to two hundred and seventy-five millions of dollars, simply because it paid to sell the bonds, and the bankers did what they ought to do for their stockholders as a matter of business. Again you will find that in the same nine years from January to July, when the bank note currency should have decreased from two hundred and fifty to two

hundred and seventy millions, the circulation actually increased, because it paid to buy bonds, and the bankers did what was for their best interests.

In other words a bond secured currency bears no relation to the business of the country, but increases and decreases according to the profit or loss in buying or selling the bonds.

Did any other country ever adopt our system? Yes, Japan did, but just for a night. The Japs found this bond secured currency utterly unfit for their country and discarded it and adopted credit currency.

There is no doubt in my mind that the "Fowler Bill" hit at one of the fundamental evils of our present system, and it offers as a remedy the issue of credit currency based on the resources of the banks and country.

#### Credit Currency.

Every depositor of a bank should have the option of taking his credit at the bank in such form as will correctly serve his convenience—either a book credit subject to check or a current credit in bank notes.

Take for example the farmer who has sowed and harvested his wheat and stored it in a grain elevator and is entitled to a loan at his bank for \$10,000, the grain acting as security. Has he not the absolute right, after the credit has been granted him, of taking it in current credits in the form of bank notes, with which he can proceed to pay for the harvesting of the rest of his crop?

If our banks were authorized to convert their bank book credits into bank note credits upon demand of their depositors, there never would be a currency famine. There is not the slightest difference between bank book credits and bank note credits, for one is a credit subject to order and the other is a cashier's check to bearer.

If the customers of a bank had their choice between these two forms of credit, the habits of the people would determine whether the bank owed more to depositors subject to check or to note holders.

The Bank of France has issued about \$1,000,000,000 of cashier's checks or notes, while the deposits amount to only one-tenth as much as \$100,000,000.

#### Suffolk System.

In 1857 there were 515 banks in the New England states clearing through the Suffolk Bank of Boston, and there are about the same number of banks in these states today. Their deposits amounted to only \$25,000,000, while their notes outstanding amounted to \$55,000,000 and yet not a dollar was ever lost to a note holder through this system.

#### Pay Roll Checks.

Credit currency is in use the world over. In fact the United States is the only back number as regards credit currency. For example, take the City of Pittsburgh in the last panic. What happened in this the greatest manufacturing center of the world?

The banks of Pittsburgh issued "Pay Roll Checks" which they paid to the big manufacturers, and who in turn paid them to their employees. These checks passed current as money during the panic and were purely a credit currency, or the conversion of book credits into a current credit. And when their service was rendered they disappeared as absolutely as

though they had never been issued. There was never a single dollar lost on account of the non-payment of any of these "Pay Roll Checks." This instance is still another proof that credit currency coupled with adequate redemption facilities would be a valuable asset to the business of this country.

The Fowler Bill includes many very excellent features such as dividing the country into twenty or more redemption districts and making the banks of each district in a sense self-governing, under the supervision of the Comptroller of the Currency. Then again this bill contains some very radical measures, such as the changing of all State banks and Trust Companies into National Banks; and the guaranteeing of deposits. Some of these measures are so far reaching in their scope, and touch so many collateral interests not germane to the real solution of our currency difficulties, that it is the belief of many that the bill as a whole would unsettle rather than improve the existing conditions.

#### Plan of the American Bankers Association.

This plan provided for an issue of credit bank notes which would automatically adjust the volume to the demands for currency. They agreed with Mr. Fowler that a bank note was essentially the same as a deposit payable on demand. It is a bank deposit converted into such form that it passes current. It resembles in character a demand certificate of deposit or a cashier's check, simply a current liability of the bank.

They advocated a tax on credit notes at a rate which would provide a guarantee fund sufficient to redeem the notes of failed banks. This plan also required that banks should keep against notes outstanding the same reserve that is required against deposits.

The American Bankers plan aimed at maintaining the present price of Government bonds and provided for the issue of National Bank Guaranteed Credit Notes taxed according to the amount issued and regulating the issue at all times to the amount of their bond secured circulation, and not allowing the note issue to ever exceed the amount of the paid up capital of the bank.

This plan had many good features, but notwithstanding this fact met with little success in either the House or Senate. The Association did a great work in concentrating the opinion of the bankers of the country on currency problems and in educating the general public to the needs of the times.

#### Aldrich Bill.

The Aldrich Bill in its original form was an emergency bill pure and simple. It advocated the issuing of currency on securities of other than United States bonds, and was met with much opposition both in the House and Senate, and by bankers and business men at large.

It advocated a relief measure that was calculated to help the condition of the bond market, rather than the currency of the country. Its principles were adverse to sound banking, for a bank to issue emergency currency in a time of panic would be obliged to buy bonds at the then prevailing high prices or have its funds at all times partly tied up in investments of a

permanent character. This is a very bad practice for a bank doing a commercial business, for it takes just that much commercial funds and places them in a class of fixed investments.

The issue of this emergency currency was likewise limited to an issue not to exceed five hundred millions of dollars. The banks outside reserve cities were authorized to hold an amount not to exceed one-third of their reserves in other than United States bonds, instead of gold or its equivalent, as required heretofore.

This act provided for interest on public deposits of not less than one per cent. It left the matter to the discretion of the Secretary of the Treasury and this was the only redeeming feature of the bill. While it no doubt offered relief from panics or currency stringencies, it at the same time based its actions on false theories and was extremely unscientific.

#### Vreeland Bill.

The Vreeland Bill advocated the Clearing House Plan of banding the banks of a community under one head and having them work in unison. The clearing house idea is an excellent one and would be a very good feature placed in conjunction with the right kind of a currency measure. This bill proposed the issue of emergency currency on the securities held by the banks, such as was required by the various clearing house associations throughout the land during the fall of 1907. This bill had good features, as did many others, but it lacked legislation of a permanent character.

#### New York Chamber of Commerce Plan.

This plan followed to a great extent the outline of the American Bankers Plan. The Chamber of Commerce Plan, together with about ninety-nine others presented before the last Congress, had many good features, which we cannot take the time here to discuss. They nearly all aimed at an emergency currency and not at permanent legislation.

#### Guarantee of Bank Deposits.

A great many of the bills introduced advocated the guaranteeing of bank deposits. They claimed this would put a stop to the hoarding of money and give the people so much confidence in the security of their deposits that panics would be a thing of the past. In this particular let me say that the National Banks of the United States handled thousands of millions of dollars in the last quarter of a century with a loss of less than one-quarter of one per cent. for the entire period. Why discredit the very enviable reputation of the financial institutions of this country? What other nation with our financial power ever attempted such a foolhardy undertaking?

The guaranteeing of bank deposits taxes conservatism in the interest of profligacy, it compels legitimate business to bear the risks of speculation; it takes away the high ideal involved in establishing character and building up good-will; it compels the conservative banker to place his character, standing in the community, and financial strength at the command of incompetent, venturesome or dishonest rivals, and thus enables them to buy away his deposits and his business. It is a premium on bad banking and unsafe business, portends disaster to all

commercial interests, and threatens the welfare of the entire nation.

#### Individual System.

Our banking system is individual and is the counterpart of that characteristic individualism which, I think, distinguishes our people from those of all other countries in a marked degree. The American citizen is the most positive, characteristic, and individual human being in the world. He is the outgrowth of our political institutions, and therefore our present banking practices are in perfect keeping with that individualism. Our system is the individual system, the unit system.

This is one of the very best arguments against a Central Bank in this country, and any reform should keep this very important principle in mind. We should aim to preserve this individual system at all hazards.

#### Central Bank.

Some advanced scholars in banking and economics advocate the institution of a Central Bank, but when we consider the political situation in this country, it seems that such a measure is entirely out of the question. If there was a Central Bank established in this country the power of the bank would be sought by political parties, and I am afraid it would be used by political parties for political purposes. We have in Andrew Jackson's Administration a living example of the misuse of a Government bank and its final dissolution. Let us not repeat the sad experience. There are many excellent features and sound banking principles that can be advocated in connection with a great central bank, but considering all these, I believe that our individual system is the better suited to the vast needs of this great country of ours than any other.

We have very briefly considered the most commendable features in our recent currency legislation, both proposed and enacted, and now let us consider some of the currency problems of which less has been said.

#### Sub-Treasury System.

Let us look at our present sub-treasury system or the handling of the Government funds. Instead of our Government receiving payment and paying its own obligations as all other Governments, States, Cities, and business establishments do, we are actually withdrawing from the channels of trade daily the reserve which ought to continue in a normal relation to the business of the country.

The sub-treasury system has been a drawback to the commerce of the country ever since it was established; and has been more of a drawback in recent years than ever before, simply because the business of the country has grown to such proportions and the Government transactions are so large that our practices amount to a threatening earthquake.

The United States Government should receive its revenues by check and draft of National Banks and deposit its money every day by check and draft, and withdraw it from the banks by check and draft precisely as any other business institution does.

It is impossible to withdraw five, ten, or one hundred millions of reserve money of the country out of

the channels of trade without disturbing our business conditions most disastrously. Nor is the withdrawal of the reserve from the channels of trade much more unfortunate in its ultimate result than the thrusting of this vast sum back at places and at times wholly without reference to the actual requirements of the business of the country. If the applicant for a government deposit is eloquent and powerful, and his influence very great, the Secretary of the Treasury, being human like the rest of us, is moved very naturally, just as the most of us would be, to deposit the Government funds in his bank. Thus the small banks with little influence are overlooked, and perhaps the business in their immediate vicinity is badly in need of Government help. Would it not be much better if our Government worked in unison with our commercial interests? Is the United States Government afraid of the very banks that she made and fosters?

#### National Bank Notes as a Basis for Reserve.

Let us consider the great evil of carrying National Bank notes as reserve against deposits. It has been estimated, and from reliable sources, that the National Bank notes, which are nothing but mere promises to pay based upon other debts, are being carried as reserve against deposits to the amount of \$200,000,000. Mr. Ridgely, when Comptroller of the Currency, made the statement, that there were not more than \$150,000,000 National Bank notes in circulation, of which we have nearly \$700,000,000 in existence. These notes are lodged in State banks and Trust Companies and have displaced or crowded out of our reserves an equal amount of gold. This condition of our reserves should be remedied at all hazards, before it undermines our whole system of gold reserve.

#### Hoarding of Money.

The hoarding of money is an evil that has very disastrous results. It is claimed and rightly so, that an issue of credit currency would eliminate this evil to a great extent, for if the people of this country know that there is not the least danger of a shortage in our currency supply, they will not want their money as is now the case. It is confidently believed that more than two hundred and fifty millions of reserve money was locked up in New York alone on January 1, 1908. This state of affairs simply means the contraction of credit ranging all the way from one billion to one billion and a half. Many cases of hoarding are told, but one case in particular furnishes a very clear idea of the magnitude of this evil. A very wealthy man entered one of the largest banks in New York and demanded that his whole deposit, amounting to \$800,000, be paid him in gold. This he took down stairs and locked it up in a safe deposit box. It is clearly evident, if people have perfect confidence in our currency supply, that they will stop this sort of dangerous practice.

#### Greenbacks.

The permanent retirement of our United States Notes would greatly improve the present condition of our currency, and would help to put it on a more scientific basis, as was shown in a previous paragraph.



### Redemption of Bank Notes.

Our present Treasurer of the United States claims that the unification of our National Bank Notes would greatly facilitate the redemption of the same and save a great deal of the labor and expense attached thereto. At the present time our Bank Notes have to be sorted four times. First, into States; second, into cities; third, into towns, and fourth, into the various banks of these towns, thus very plainly necessitating about three times as much work as if the notes were printed in a uniform style. This he claims would greatly reduce the expense of redemption and increase the profit on note issues, and be an incentive for the issue of additional National Bank Notes.

### Stock Gambling.

One of the greatest evils that exists in this country to-day is the gambling on the stock exchanges. Last year there were sold on the stock exchange 43,399,710 shares of Reading, fifteen times the total amount of Reading stock in existence; and of Union Pacific there were sold 36,751,600 shares, twenty times as much as existed. Ninety-nine per cent. of these transactions, according to reputable brokers, are nothing but bets that the price goes up or down. They are as much gambling as betting on a horse race or on the card that comes out of the faro box. This is gambling on a colossal scale. Carried on as it is, it takes the money of the country out of the legitimate channels of trade, and places it in the hands of speculators, who can afford to pay higher interest rates than a man in any ordinary line of business. This evil should be stopped and could be stopped to a certain extent by raising the per cent. required to carry stocks on a margin.

### Foreign Systems.

Let us briefly consider some of the systems in use in our neighboring countries across the Atlantic.

The Bank of France, for example, has a purely credit system of note issues. There is nothing in the laws of France requiring any particular reserve, but experience has taught the managers of the Bank of France that a certain reserve is essential to insure confidence and protect the credit of the institution.

In France both the note holder and the depositor stand upon identically the same footing, neither being protected more than the other by a guaranty fund or prior lien. Although the notes of the Bank of France amount to \$929,000,000, or nearly four times the deposits, which amount to \$200,000,000, the Frenchman has as much confidence in his note as any American has in his bond secured National Bank Note.

Germany issues her currency through the Reichsbank or Imperial Bank of Germany. This bank is required to hold in its vaults, as security for the amount of its bank notes in actual circulation at any time, one-third in current German gold or its equivalent and the balance in discounted notes which bear a maturity of three months at the longest, and on which the names of three or at least two persons known to be responsible stand as endorsers. When the circulation exceeds the metallic reserve by the arbitrary amount of \$112,500,000, upon which there is no tax, a tax of 5 per cent. is imposed.

No bond or guaranty stands between the note

holder and possible loss. In case of the liquidation of the bank the note holder and the depositor stand on the same footing. Here again we have a good form of credit currency.

Great Britain's currency remedy is the suspension of the Bank Act. About \$80,000,000 of her bank notes are issued on Government consols. Beyond that, for every Bank of England note issued, an equal amount of gold must be deposited in bank. What do they do in case of panic?

The Bank applies to the Government and the Government suspends the Bank Act. What does this mean? It means that the Bank of England may then put forth unlimited quantities of bank notes, without an equal amount of gold being held on deposit against it. Any bank in Great Britain may take its securities to the Bank of England, rediscount them, and receive Bank of England notes in exchange. Three times in its history the Bank Act has been suspended to stop a panic and they have threatened to suspend it several times since. Now they need only mention suspending the Bank Act to avert a panic. Here again we have Credit notes coming to the rescue, i. e., bank notes based on securities that represent the wealth of the nation.

In summing up our American Currency Problems let us not forget that we have to deal with a very important question; one that affects the business of this vast country of ours to the very core. We can see from past experiences that our present system of bond secured notes is entirely inadequate and that we need a more responsive bank note issue. We need approximately \$300,000,000 more currency every fall to move our crops than is required by legitimate business during the rest of the year.

It is also very apparent that our bond-secured currency is a great hindrance to business, that it is a back number, and that we should have some form of Credit Currency just as soon as possible. There are many ways suggested and surely some method can be selected that will not upset the business of the country, but will replace our present system with one based on scientific principles, without causing a ripple in our commercial affairs.

### Paramount Problems.

Congress has failed to pass any permanent currency measures and really left the situation in the hands of the National Monetary Commission. This Commission is now our only hope for reforms of a permanent nature in the future, and let us trust that they will do their work thoroughly and well.

We have a few of the most important problems that should be considered in the following:

1. The education of the American people to their needs as regards Currency reforms.
2. The defeat of all measures before the country, that demand the guaranty of bank deposits.
3. To keep our individual banking methods in force, and discourage any attempts at the establishment of a great central bank.
4. To destroy the present evil of hoarding money by the issue of a credit currency, that will remove all doubt from the minds of the people.
5. The changing of our present Sub-Treasury so that the reserves of the country will not be

taken out of the legitimate channels of trade, and put back at times and places wholly unsatisfactory to the country at large.

6. The permanent retirement of our greenbacks.
7. The elimination, to as great an extent as possible, of stock exchange gambling.
8. The elimination of all unnecessary expense attached to the redemption of National Bank Notes.
9. The forming of the banks of the country into districts. Following out the Clearing House Plan, and thus enabling them to withstand the ravages of a panic much better than they otherwise could. Also making each district a redemption agency, and thus improving our present system of bank note redemption.
10. The issue of a purely Credit Currency based on the wealth of the country, and the retirement of our present bond-secured National Bank Notes.

#### ELIMINATING UNDESIRABLE ASSETS.

By Lloyd M. Tillman, of Washington Chapter, National Bank Examiner for Southeastern Pennsylvania.

Familiarity with banking paper, and knowing its value, whether a note be demand or time, secured or unsecured, commercial or long time running, is the most essential feature of the work of every National Bank Examiner, and involves nine-tenths of his time.

An intimate working knowledge of the other manifold details of national bank investigation is, of course, necessary to an efficient and successful examiner, but most prominent in all the field stands out the great word "Credits." Suffice it to say that it behooves the examiner to search far and wide over the various fields of financial investigation within his range, to obtain, in each case, the facts which determine the sufficiency and stability of the foundation upon which the particular asset depends.

Once absolutely convinced of the undesirable nature of any given paper, its actual elimination by practical methods will be best accomplished through the Examiner enforcing the law by insisting upon a strict compliance therewith both in and out of the Board room, as undesirable assets are generally the result of inattentive and careless officers and directors.

The National Bank Act must be understood, and this is a prerequisite to successful banking. Far too few bankers are cognizant of the sections of the act which pertain to their daily labors, while a large majority of directors are wholly ignorant of those sections which, indeed, it is only their duty to comprehend. They take matters of vital importance too much as a matter of course.

The examiner whose duty it is to inform a board of directors that Section 5200, U. S. R. S., has been violated by the granting of an excessive line of credits, a loss having been incurred thereby, will immediately be master of the situation if he directs attention to the fact that Section 5239 makes each one of the directors liable individually. The payment of money, by virtue of this section, out of the pockets of the

board members, cuts deeply, and is a well founded and efficacious point of law too frequently overlooked.

Of all the sections of the act, that which is most likely to be violated by banks, and the one which is the greatest in importance (since the Comptroller has the whip hand and the power to use it), is Section 5211, U. S. R. S. This section prescribes a penalty for the falsification of reports to the Comptroller, and may be extensively used by the examiner in procuring the reduction of fictitious values. Sometimes the mere threat to cause the republishing of a report is sufficient to have an irregularity which should not exist remedied at once, while the examiner is still in the bank conducting his examination.

Outstanding liabilities not shown on a bank's books is a proposition not infrequently confronting the examiner. Often such liability amounts to more than the bank's capital stock, and is punishable by forfeiture of the bank's charter.

Lastly, under the question of law, one of the most powerful weapons afforded the Comptroller for use through his examiners by the National Bank Act, taken in connection with Section 5211, is the frustrating by its provisions an attempt on the part of a cashier and board to deceive the public, the Comptroller and the examiner; for, manifestly, the proper application of the law will preclude the possibility of false reports of condition to cover any such wrong doing.

However, I think that perhaps the personnel of bank officials is improving. At least, in one of the banks in my district, the following optimistic statement appears in the minute book: "We were sorry to lose Director Blank by death, but no doubt, like all other vacancies gone before in this bank, his place will be filled by a better man."

In the private sanctum of the Board room, with the correct valuation of assets and the proper interpretation of the law, will come the most fruitful work of an examiner to bring about the elimination of doubtful assets, etc. As the Comptroller said on September 21, 1908: "He should convene the Board of Directors, fully explain to them the situation, and insist upon an immediate correction to the fullest possible extent." And again: "The best examiners report what they have accomplished in this direction, and not what should be done."

As the Board of Directors is sworn to diligently perform its duties and administer affairs, etc., the examiner, with the law and a knowledge of credits on his side, should be able, by the exercise of firmness and discretion, to impress what is right upon any board, for every board contains men upon whom he may depend to live up to their obligations as directors. But, even assuming that all the directors agree with the examiner, nothing will have been accomplished by the mere fact of having convinced the directors—thus far the examiner's efforts have been "a garden full of weeds." The directors may coincide with the examiner's views absolutely, but unless they act upon his suggestions and criticisms, his work goes for naught. Persuasion of the Board is the most powerful means of accomplishing results to-day; not to persuade them to believe, but to persuade them to believe that you are advising them correctly and then to act accordingly and immediately. This is the turning point of the examiner's efforts, and when he

carries his point by moving the board to action, then and then only has his work been prolific of good.

The question of the examiner's attitude toward the board is necessarily one for the individual to solve. But for every examiner, tact, politeness and courteous treatment in a bank costs nothing; imagine the positions of board and examiner reversed, and a better understanding of each other will follow. The directors are often induced to take over, bodily, assets and losses which they are responsible for directly or indirectly. Action right on the ground is often obtained which culminates in the reduction of long-standing items, the charging off of old assets long ago worthless, and a cleaning up in general. The elimination of "dummy" notes is frequently procured in this manner, and strangely enough, the deeper the cut which the directors receive, the greater seems to be their respect for the examiner, but this only when the board is convinced that the examiner's action is taken only in a friendly desire to advance the bank to its highest state of efficiency. He should establish himself as the bank's best friend by gaining its confidence, and then the high personnel and esprit-de-corps of our bankers will insure the taking of such steps as will benefit the institution.

These, gentlemen, are but a few of the more salient points which impress me as raising the work of national bank examining to its only ultimate end—the reduction of national bank failures of the country to a minimum and the construction of a mammoth protective bulwark in the form of the strongest chain of national bank examinations in the whole history of the great system.

#### GOLD BARS AND COIN.

If the Treasury Department has its way there will be no more American gold coined at the mints, says the Philadelphia "Inquirer." Instead, new bullion will be made up into bars of standard fineness, on which certificates will be issued, as is now very commonly the case. The reasons are twofold—the use of gold coin is very unusual and involves much loss from abrasion when it does circulate, while it is now shipped to Europe in ever increasing quantities to settle balances, with the result that there is sometimes a loss, because in some instances the limit of tolerance in loss of weight has been passed. The gold bars will be better, since weight is the determining factor in any case.

Doubtless, this will be a shock to a good many persons, especially those who think that money is a Government stamp and not an entity, but the world has taken the other view. Gold by weight is the standard medium of exchange. There are some parts of this country where gold is still passed from hand to hand, but in the East it is rare for any man to handle such a coin unless he calls for it at his bank. If the certificate of deposit with the Government is available that serves every possible demand.

It is not pleasant to think that our mint in this city is to be reduced to making fractional silver, nickels and pennies, but otherwise the new system seems to, be on a proper economic basis so long as we have so many million dollars of coin on hand now to cash in all of the certificates which are likely to be presented. Such is the change which has taken place in the fourteen years since 1896, when Bryan was telling us what he thought about money.

#### INSTITUTE EXPERIENCE.

By Upson Downs.

Every Chapter that makes education paramount is strong and growing stronger. Every Chapter that subordinates education to something else is weak and getting weaker.

#### THE OVERDRAFT ASSOCIATION.

By Charles F. Allen, of Denver Chapter.

You may talk of frenzied finance, or declaim on Standard Oil;  
You may preach on all devices for the gathering in of spoil;  
Fakes and bunco men, and pirates—all the ancient sons of Gall,  
But at last you own up sadly that the Overdraft Association  
Gets us all.

They are with us in the churches, and beside us at the play,  
Getting "next" with smooth endeavor (they are never far away)  
Till they push the hot-air button, and we listen, and we fall;  
There are no wise guys like bankers, but the Overdraft Association  
Gets 'em all.

They jingle gold and silver as they lull our fares to sleep,  
Or it may be some fair charmer puts it on us with a weep;  
There's a check, and we O. K. it with a cabalistic scrawl;  
And the teller scowls and wonders how the Overdraft Association  
Gets us all.

If they sting the Colorado, or the Denver—not a word:  
The First is bit in silence, and the Central isn't heard:  
The U. S. and the Capitol, in turn, unsquealing, fall;  
They're faked, but never own it. Oh! the Overdraft Association  
Gets us all!

The green goods men grow scarcer, and the gold brick lures in vain;  
We've learned enough to hike it when it comes to pouring rain;  
We've time locks, guards, and experts, and detectives at our call,  
But the red ink boys keep checking, and the Overdraft Association  
Gets us all.



# INSTITUTE CHAPTERGRAMS

## INSTITUTE CONSTITUTION.

Published by Request, to Facilitate the Discussion of Amendments Which May be Proposed at the Coming Convention of the Institute at Rochester.

**Article I.** The American Institute of Banking Section of the American Bankers Association is devoted to the education of bankers in "Banking and Finance" and "Commercial and Banking Law," and the establishment and maintenance of a recognized standard of banking and financial education by means of official examinations and the issuance of certificates. Holders of such certificates shall be known as Institute alumni.

**Article II.** Members of the Institute shall consist of duly authorized Chapters whose individual members shall pay to the Institute, through their respective Chapter treasuries, annual dues of seventy-five cents, of which sum fifty cents shall be for subscription to the official publication and twenty-five cents for general Institute expenses.

**Article III.** Associate Members of the Institute shall consist of institutions which are members of the American Bankers Association. For each associate member of the Institute thus constituted the Institute will accept from the American Bankers Association annual dues of seventy-five cents, payable in monthly instalments.

**Article IV.** Fellows of the Institute shall consist of Fellows already constituted and such others as the Executive Council of the Institute may elect, not exceeding twenty-five annually, subject to the following qualifications: (a) Bank officers who are interested in the work of the Institute; (b) Chapter members who have been officers or members of the Executive Council of the Institute; (c) Ex-Presidents of Chapters in good standing; (d) and such Chapter members as have passed the prescribed examinations of the Institute. Fellows shall pay to the Institute annual dues of two dollars.

**Article V.** The Institute shall hold an annual convention at such time and place as may from year to year be determined, in which convention each Chapter shall be represented by delegates on the basis of one delegate for each twenty-five members or fraction thereof, and one delegate-at-large, based upon the records of Chapter membership in the general office of the Institute thirty days before such annual convention. Alumni employed in banks located over thirty miles from any Chapter city and not members of any Chapter may be delegates at any annual convention upon personal attendance, provided that no two such delegates shall be identified with any one bank or other financial institution.

**Article VI.** The elective officers of the Institute shall be a President, Vice-President, Secretary, and Treasurer, who shall be elected by the Institute in convention from Chapter members, who are not bank

officers, and no incumbent of either of such offices shall be eligible to consecutive re-election to the same office. Officers of the Institute thus elected shall serve for terms of one year each, or until their successors are elected and qualified.

**Article VII.** Section 1. The government of the Institute shall be vested in an Executive Council of fifteen members: (1) The President and Vice-President ex-officio; (2) seven members elected by the Chapters in convention from Chapter members not bank officers, so classified that the terms of two shall expire at the end of one year, three whose terms shall expire at the end of two years, two whose terms shall expire at the end of three years, and their successors to be elected annually thereafter, for a term of three years; (3) six members elected by the Fellows, so classified that two may be elected annually for three years. Present members of the Council shall continue in office for the respective terms for which they have been elected. Members of the Council shall not be eligible to consecutive re-election. Section 2. The Executive Council shall meet immediately upon the adjournment of the annual convention of the Institute, and, a quorum being present, elect one of their number chairman, who must be duly qualified to represent the Institute before the American Bankers Association. The Executive Council shall also appoint an Educational Director and such other employees as may in its judgment be necessary, to serve during its pleasure; and transact such other business as may come before it. At other times the Executive Council may transact business by mail. The annual meeting of the Executive Council shall be held at least one day prior to the annual convention of the Institute. Eight members of the Executive Council shall constitute a quorum.

**Article VIII.** Subject to the approval of the American Bankers Association, this constitution may be amended at any annual convention by a two-thirds vote, provided that notice of any proposed amendment shall have been submitted to the secretary of the Institute at least thirty days before the annual convention, published in the official publication of the Institute and submitted to the Executive Council of the Institute for report by said Council to the convention under the regular order of business.

## BALTIMORE.

By Adrian J. Grape.

Baltimore Chapter is still forging ahead. Its "Banking and Finance" class is on the increase, and moreover, there is a good attendance at the lectures. We realize what a difficult task it is to have a large attendance at the classes, hence we are well satis-



fied when we find that we have enrolled over 12 per cent. of our full membership of 600.

Our "Open" nights always bring out a number of new faces to greet us, and our Entertainment Committee, it seems, has always been able to get up something that we all like. We were surprised at our last open meeting, and agreeably so, too, with a few sketches by several gentlemen of local and business fame, and with popular music from a good orchestra, as well as ices and cake, all of which would naturally put a fellow in good humor, and everyone enjoyed it so much that there were many inquiries as to when we were going to have it again.

The annual theatre party was held at the Academy of Music, and many of us had the pleasure of seeing Tom Moore in the "Happiest Night of My Life." The party was a decided success, financially and socially, and it is certain that the play was a most pleasing one to all.

### BOSTON.

By Herbert E. Stone.

The "Hub" Chapter's wheel of education has made a partial revolution and one half of the series on "Commercial and Banking Law" has gone with the old year.

Owing to the banker's familiarity with figures, I am going to let them tell part of our story. Though it isn't very long it spells "Interest," and that it what we are all striving for.

Throughout the course the average attendance has been "sixty," the minutes consumed "seventy," the percentage of membership of subscribers to reports over "eighty" (280 out of 330 members), that of participants in the question period all of "ninety," and to complete the scale, the quality of the lectures has been of the highest and therefore well classed as "one hundred per cent." In short, the course has been conducted as scheduled and with satisfaction to all.

We have learned something about "Contracts" and something about "Sales." A little about "Bills of Lading," and a little about "Warehouse Receipts." We have listened to a talk on "Assignment of Debts," but don't intend to take part in such activities. "Transfer of Stock" gave us an inkling of trust company problems, and lastly we heard about "Bankruptcy."

The reader is reminded that we "heard" about "Bankruptcy." We did not "go into bankruptcy." Very far from it. There is still a balance in our treasury, both of interest and of coin, and with a good supply of each, we are prepared for the new year.

The demand for reports of lectures has not diminished and not a single one has been returned marked "insufficient funds." Not even a "stop payment," or a "stop sending." Over three thousand have been distributed to our members at ten cents per copy, and our effort to buy back half a dozen to complete as many sets has been a failure.

Before starting out on this co-operative plan we anticipated a natural falling off in the demand for reports and also of attendance at meetings. The anticipation has not been realized and this fact has given the administration much confidence.

Our study of "Negotiable Instruments" is now well under way. It may be of interest to our sister chapters to know that our instructor, Prof. Samuel Williston, of Harvard Law School, is one of the leading authorities in the country on this subject. Not only are his "talks" interesting, they are extremely readable. At their conclusion the boys have a chance to ask questions and the answers that follow are printed with the regular report. Can your chapter equal such a privilege?

Our evening meeting this month will be held on the twenty-fifth and will take the form of a journey around the "Hub" with Auditor Neal of the Boston Elevated Railway Co.

### CHICAGO.

By C. A. Peterson.

At the November 22d meeting, Professor J. Paul Goode, of the University of Chicago, delivered his lecture on "Great Seaports of Europe," illustrated with with stereopticon views. While this is the second time it has been given before the Chapter, it lost nothing in its repetition, as we of Chicago and its surrounding country are awakening to the fact that Chicago's possibilities as a port are great, and a description of the methods of handling this problem naturally proves interesting. There is perhaps no man better qualified to speak on this subject than Professor Goode, for in 1908, at the request of the Chicago Harbors Commission, he investigated in an exhaustive manner the European methods of construction, operation, management, etc.

The program for the first meeting in December included Fred A. Crandall, Vice-President of the National City Bank; John J. Arnold, Assistant Cashier and Manager of the Foreign Department of the First National Bank; George E. Allen, who needs no title; C. H. Marston, Secretary of the National Organization; O. Howard Wolfe, Manager Transit Department of the Philadelphia National Bank. With this array of Institute supporters on hand, it is needless to say the meeting was an especially lively one.

The following resolution was offered and unanimously carried:

"Whereas, Fred A. Crandall, ex-President of the Chicago Chapter and a fellow of the A. I. B., is a candidate for election to the Executive Council,

"And Whereas, Because of his loyalty and splendid record of things accomplished for Chicago Chapter, and because of Chicago Chapter's desire of representation on the Executive Council,

"Therefore, Be it resolved, by this Chapter assembled, That it heartily endorse the candidacy of Mr. Crandall and urge his election as a member of the Executive Council."

As scheduled, Mr. Arnold was on deck with his talk on "Financing of Cotton," a subject with which he is thoroughly conversant, describing the intricate ins and outs of the bill of lading and the different methods of fraud practiced in connection with it.

At the conclusion of Mr. Arnold's address, Mr. Allen gave us a short talk on the Institute work and the general principles of organization. To quote him would only call for the vigorous use of the editorial blue pencil, so will refrain from doing so.

C. H. Marston brought greetings from Boston Chapter and told of the progress being made. He gave a pretty compliment to the delegates from Chicago whom he had met at the various conventions, saying: "I think the politicians you send to the conventions pretty well represent your Chapter. They certainly do 'boost' Chicago." Mr. Marston also spoke of the advantages of Institute instruction over college instruction. He said: "You have a definite road to travel. You know what you want—just what you are after. A college student has twenty different roads which he may travel and few of them know which to take. You have a straight path—the path of success in banking, and I think that gives you a great advantage." He also spoke of the success of many of the Institute men in procuring official positions and expressed the wish that a roll of honor be inaugurated containing the names of such members. To the latter suggestion Mr. Allen took vigorous exception, stating that he refused to recognize any distinction between a member who did bear an official title and one who did not; that it was the work to be considered and not the mere nominal title.

O. Howard Wolfe also favored us with a few remarks concerning the efforts of the Philadelphia Chapter members to force the Philadelphia banks to recognize the importance of Institute work.

The music for the evening was furnished by Wm. Geyser and Jos. Roda, both of the Corn Exchange National Bank.

The Debate Society has elected for the current quarter: Louis Rich, President; E. Stevenson, Vice-President; George L. McNeill, Secretary. The Debate Society opened its season a little late but with a promising exhibition of interest. The club has always had a fascination for those who attend its meetings, and few who have once felt its good cheer have willingly deserted it. Its popularity is well deserved and members have been fully compensated for the time spent. The two meetings to date have been of interest and of solid value; promising debate material has been unearthed, and undoubtedly another flourishing year is well started.

Negotiations are under way to challenge some other city to a debate, and this matter will soon be definitely settled. Another reform that was discussed and will probably soon be carried through is changing the name of the "Debate" Society to some title less likely to intimidate the non-members.

It was decided to hold a debate January 6 on the question, "Resolved, 'That the Volume of Deposits is a better basis for determining the required capital of a State bank than is the population of the city in which it is to be located.'" F. R. Curda and George L. McNeill, of the Glaser Savings Bank, will take the affirmative, while J. H. Ashley, of the Corn Exchange National Bank, and R. M. Coleman, of the Union Trust Company, will take the negative. The ability of the speakers chosen and the nature of the subject is bound to make the debate interesting.

John W. Rubecamp has been appointed Chairman of the Athletics Committee. This is a new venture for Mr. Rubecamp, but judging from his success as Chairman of the Entertainment Committee, there is no doubt but that he will succeed in bringing this department up to former standards.

## CINCINNATI.

By A. D. Shockley.

Cincinnati Chapter held its regular meeting in the Union Trust Company parlors on Tuesday evening, December 13, at 8 o'clock. The meeting opened with a talk by Herbert Shaffer, a young attorney of our city, upon the coming debate on the question of a "Central Bank for this Country," between the University of Tennessee and the University of Cincinnati, which is to take place in Cincinnati shortly. Mr. Shaffer was followed by the speaker of the evening, Will L. Finch, President of the First National Bank of Cheviot, Ohio, and Secretary of the Cincinnati Industrial Bureau. Mr. Finch gave us a full and interesting account of the workings of this unique organization since its birth about fifteen years ago, and showed how it was working to boost Cincinnati and her interests. Mr. Finch's subject was extremely instructive and the entire evening's program proved entertaining and educational. The minstrel show is progressing nicely and will undoubtedly prove a big success.

The Chapter is head over heels in work along educational lines. Hans Zinke has a fine class in "Commercial and Banking Law" on Wednesday evenings and John Brewster a class in "Banking and Finance" on Friday evenings. The classes are large and a great deal of interest is shown. Seventeen passed the law examination last year. Prospects are bright for an increased number in both courses. About fifty of our members attend the Cincinnati College of Finance, Commerce and Accounts. The outlook at present is bright for one of the best years in the history of Cincinnati Chapter along educational lines. Everybody is working hard and results must inevitably follow.

## DALLAS.

By H. P. May.

November 27 marked the first anniversary of Dallas Chapter, and we are now beginning to feel that we are really one of the component parts of the A. I. B.

Though we were hampered in the beginning by the consolidation of two of the large banks, we recovered sufficiently before spring was over to get well started in the "Law" course, and identified ourselves with the Institute by having a delegate at the Chattanooga Convention. It occurred to the writer, who had the pleasure and honor of representing Dallas Chapter, that a chapter loses identity as well as inspiration when she fails to have a representative at the annual convention; for no man can attend such a convention as was held at Chattanooga without feeling the greatness and importance of the work being done by the Institute and endeavoring to inspire others with a kindred feeling.

Good headway is being made in the "Law" course, and it is expected that the "Finance and Banking" course will be started within a few weeks. The law lectures are delivered on first and third Thursdays of each month, and the average attendance has been good.

A general meeting in the nature of a "smoker"

was held last month. At this meeting each member was required to tell something about the work in his department. Such meetings give the timid members an opportunity to get "broken in," as no member is excused when called upon. This feature proved entertaining and some very good ideas were advanced.

The Dallas banks have taken notice of the work being done, and at a Clearing House meeting, held on the 6th of December, they put the stamp of approval on the work and voluntarily suggested a monthly appropriation. They are satisfied that the Chapter is organized for a purpose which will be mutually beneficial to the banks and employees.

#### DENVER.

By W. Campbell Garver.

At the December meeting of the Denver Chapter fifty members were present to listen to the splendid address given by Halsted L. Ritter on the subject of "Protecting Colorado's Securities." Mr. Ritter is a prominent attorney of this city, and everyone present thoroughly enjoyed and profited by his address.

An enthusiastic spirit seems to prevail among the boys, and, as a rule, after listening to the splendid addresses by which we have been favored at each of our meetings, a general discussion on some practical banking subject is conducted. This not only seems to stimulate a great interest, but furnishes an opportunity for the members to obtain experience in public speaking.

We are delighted to note that P. T. Slayback, one of our members, has had a well deserved promotion from assistant cashier of the Denver National Bank to that of Cashier of the Central National Bank of this city.

A debate has been planned for the February meeting on the following question: "Resolved, That it would be a great benefit to Banking and General business if all banks were allowed to make loans on real estate." The proposition will be affirmed by H. H. Brooks, leader, International Trust Co.; B. B. Aley, United States National Bank; A. Kuensemuller, German-American Trust Co. The negative of the question will be supported by R. B. Wheeler, leader, Denver National Bank; A. H. Lentz, Capitol National Bank; C. B. Means, Federal, State and Savings Bank.

#### KANSAS CITY.

By C. W. Allendoerfer.

We are pleased to report that our Study Class has had an average attendance of about eighty so far, and we believe that the number will increase after the first of the year, when we begin the subject in which bank clerks are more directly interested.

Professor Boynton, of the Kansas University, has had charge of the first State lectures, and has handled them in a most interesting manner. Sometimes he has parts or even all of the printed lecture read, and sometimes he has no reading done, but has covered the points in his own words.

After the first of the year we intend to have about a five-minute review of the preceding lecture promptly

at 8 o'clock. We will then have the lecture for the evening read, which will take from thirty to forty minutes; then after a five-minute recess the subject will be discussed in such manner as he may desire by the bank officer who has consented to handle that subject for us.

As you know, the Kansas City Chapter devotes practically all its energy to the study evenings, and will probably not attempt any work except along that line during the present administration. The first eight lessons in "Banking and Finance" were conducted admirably by Professor Boynton. Special instructors for the remaining lessons of the course have been secured as follows: "Bank Organization," C. S. Jobes; "Bank Administration," P. W. Goebel; "Bank Accounting," Stanley Young; "Cash Reserves," J. W. Perry; "Clearing Houses," G. B. Harrison, Jr.; "Bank Examinations," J. T. Bradley; "Collections and Transits," G. G. Moore; "Loans and Discounts," A. C. Jobes; "Stocks and Bonds," H. P. Wright; "Trust Companies," J. Z. Miller; "Savings Banks," W. S. Webb; "Foreign Exchange," George P. Reichel; "Public Expenditures," H. M. Beardsley; "Public Revenue," H. M. Beardsley; "Budget Making," Gus. Pearson; "Public Credit," C. W. Green.

#### LOUISVILLE.

By W. I. Webb.

The Louisville Chapter, although only in its third year, is beginning to justify its existence and to realize fully why it exists.

Our hustling and popular President, Jos. Zohner, together with our Vice-President, Joseph Mershon, and our highly esteemed ex-President, Charles C. Carter (who was a tower of strength to our Chapter in its formative stages), all attended the Chattanoooga Convention as delegates. While there they absorbed the real Institute spirit, and they have imparted it to the other members of our Chapter to such a degree that we are now a live, enthusiastic member of the A. I. B.

Our meetings so far this season have been confined almost exclusively to the study of the Institute course of lectures on the subject of "Banking and Finance." These lectures have proved to be very attractive to our members, and it is with great satisfaction that we are able to report an average attendance of about forty upon the five lectures already given, and the interest on the increase. We feel that we have been especially fortunate in the selection of our lecturer, E. A. Quarles, who not only has a comprehensive knowledge of the subjects upon which he lectures, but he also has the happy faculty of presenting them in such a manner as to make them interesting and easily understood. He thoroughly analyzes each lecture and draws a diagram of it on the blackboard, where we can all see each point as it is made and see where each idea is dependent upon and related to others which have gone before. We find his method to be excellent and a great help in fixing the subject matter of the lectures in our memory.

A popular innovation introduced by our President is the informal discussion of problems which confront us in our everyday banking. These discussions are indulged in after our regular lecture and have

proved to be a source of much interest and educational benefit, and are likely to be continued as a feature of all our future meetings.

As a Chapter we are still young and to a certain extent have been groping, but we feel that we have now struck the right road which will lead us to the goal of our ambition—higher education in banking.

### MILWAUKEE.

By Louis Petran.

A dinner of 150 covers was given on the 7th of December at the Hotel Blatz. This dinner, which was one if a series to be given by the Chapter for the winter, was a notable one and had for its speakers such men as Jos. Chapman, Jr., Vice-President of the Northwestern National Bank of Minneapolis; W. A. Scott, Ph.D., of the Department of Economics in the University of Wisconsin, and C. C. Brown, of Kenosha, President of the Wisconsin Bankers' Association.

Mr. Chapman, who spoke with some length on "The Bank Man's Responsibility as a Citizen," is an orator of no mean ability and was heartily applauded at the close of his speech. Dr. Scott's address was also of some length, his subject, with which he is thoroughly acquainted, dealing with the financial problems of the day, predicted that we are at the end of our great credit cycle, and that not only we had not recovered from the panic of 1907, but are going to face a much greater crisis in the near future. Mr. Brown urged the close affiliation of the bankers of the State and his talk, although short, was well appreciated. Besides Mr. John Puelicher, cashier of the Marshall & Illsley Bank, who made an excellent toastmaster, there were quite a number of bank officials present, owing to the unusual interest taken in the affairs of the Chapter.

We were honored with a flying visit from George E. Allen, who, after an interview with the officers and directors of the Chapter, highly commended the work begun this season.

### NEW ORLEANS.

By John Dane.

The Law Class is humming along at a fast clip, and it is really very amusing to listen to the various discussions and arguments, which are sometimes quite risible. Some of the members only have time to study on the cars to and from work, but yet they stick.

Present indications point to a vaudeville show on or about the 21st of February, 1911, and if enthusiasm counts we are going to make Number Four follow the usual course—success. Besides our praiseworthy desire to render to the art-loving public the logical point an artistic rendition of extraordinary perfection, we kind of believe that our treasury needs a little nourishment.

### NEW YORK.

By S. S. Shryock.

In a resolution adopted by a unanimous vote New York Chapter endorses the candidacy of William M.

Rosendale for membership of the Institute Executive Council from the Fellowship class. Mr. Rosendale is a graduate of the Institute and represents the policy of systematic education in practice as well as principal. He was one of the charter members of New York Chapter, and was one of the speakers at its first meeting. He has acted as chairman of the finance Committee for a number of years and has worked his way up through the second and first vice-presidencies to the presidency of the Chapter for the season of 1909-10. His administration was one of the most successful the Chapter has ever known and was attended with a rare display of skill and affability in handling the various and intricate problems that attend a large and active membership. Mr. Rosendale is at present Chairman of the Speakers' Committee, and has served on committees of the national organization. In supporting Mr. Rosendale for a member of the Institute Executive Council the members of New York Chapter cordially express their esteem for one who not only believes in the Institute, but has given much of his time and talents to furthering its cause, and to whom any honors that may come are well deserved and by whom any trust will be faithfully administered. Mr. Rosendale is assistant cashier of the Market and Fulton National Bank of New York and one of the most efficient young bankers of the United States.

"The American Institute of Banking is one of the best and most useful organizations in the world, and New York Chapter is its High Priest and Prophet." George E. Allen, educational director of the Institute, thus paid a high compliment to New York Chapter on its remarkable growth at the open meeting held December 8. It was an enthusiastic gathering that faced the speakers, and their remarks fell upon friendly ears. Mr. Allen, who is one of us, talked most entertainingly on the subject "Psychology of Organization," tracing it to its earliest inception and discoursing on its benefits to mankind. Three elements are necessary to its success—opinions, optimism and sentiment, each of which he illustrated by an apt story. Bank clerks are so well bossed in the confined of their own institutions that they prefer to run the institute themselves, and they are making a grand success of it. Education is the whole idea of the organization and the trouble has not been too much education, but too little. In Mr. Allen's opinion, we have just begun to grow, and with a membership of 3,000 the organization of the Chapter will be more substantial even than when there were a few, and there is no occasion for doubt on that score. It is up to the Institute graduates to make their presence felt in the community, and one way of doing that would be to join the staff of lecturers who discourse on financial topics on the city's evening circuit. The possibilities in that direction are limitless, and it is certainly worth serious consideration on the part of those who have qualified themselves along this line by taking the course in banking and finance and by training with the public speaking class. In conclusion, Mr. Allen remarked that it would be well, too, for graduates to enter practical politics and lend their aid to solving public problems in that way. The banker should interest himself in the world at large, for "a banker who is nothing but a banker is no banker at all."

Mr. Alling made his first appearance on the rostrum as a bank officer since his appointment as assist-



ant cashier of the Nassau Bank, but was the same old Ailing of yore, although, in a joking way, he did emphasize the fact that he could now say "you" instead of "we" when referring to the common or garden variety of bank worker. He spoke of the advantages of the chapter from the standpoint of "one who knows."

Henry Dimse, Vice-President of the Century Bank, gave one of his characteristic talks and spoke at length of his visit to the Pacific Coast with the American Bankers' special last October. It is seldom one has an opportunity of listening to so frank a speaker as Mr. Dimse, who says what he thinks of what he sees and hears and has opinions of his own. It would have been well worth the time of any youth attracted by the glamour of the Golden West to have heard his candid remarks regarding present day opportunities on the Coast.

The Hon. Edw. J. Cattell, hailing from the Mayor's office, Philadelphia, arrived in time to address the Chapter on the subject of "Opportunities of a Wide Open Door." Mr. Cattell has a rare command of both humor and otherwise, and had us alternately convulsed with laughter over his droll stories and thrilled by his patriotic eulogies of our native land. Forty-five years ago he was a clerk in the Corn Exchange Bank of Philadelphia, but has traveled over many lands since then and observed the customs and lives of the people, and you can take it from him that there are lots of places less desirable than Philadelphia, and when it comes to thrift the American people, putting \$100 in the sock every second of the day and night, are managing to make some headway in the world, for it is not what a nation makes but what it saves that counts. We all agreed with Mr. Cattell that it is a pretty good old country, and we cheerfully yield the palm to Philadelphia as the great American "home" city. The men who attend the banquet on February 8 will have another opportunity of hearing Mr. Cattell speak.

The arrangements for the banquet, by the way, are going along in good shape. Other speakers who have consented to address the Chapter on that occasion are J. T. Talbert, Vice-President of the National City Bank of New York; Dr. C. B. Meding, surgeon of the Harlem Eye and Ear Hospital, and Rev. Jas. S. Kittell, D.D., pastor of the First Reformed Church of Albany, N. Y., and another prominent man is expected to be present. Dr. Meding has made several addresses before the New York Chapter, and his remarks are not only instructive but highly entertaining and inspiring. The Bulletin is fortunate in being able to publish a synopsis of one of his recent talks.

The banquet is scheduled for 7 o'clock sharp, in order to allow ample time for the speakers. There is no doubt that it will be a great success. Tables are being sold right along; instead of taking one or two seats as before, the men are taking whole tables, seating nine. The dinner will be given in the new grand banquet hall and will cost \$3.50 a plate. An innovation this year is the presence of ladies in the boxes overlooking the dining floor, and desirable seats are for sale at \$1 each, or \$8 for a box seating eight. This will be the greatest banquet ever held in New York.

Now that the goal of 1,500 membership has been reached and passed, there appears to be no end to the stream of applications that keeps pouring in. Surely,

"nothing succeeds like success," and the bank men of the city have at last awakened to the fact that they cannot afford longer to pass up the opportunity that is before them. It is worthy of note, in this connection, to, that seventy-five bank officers have joined the Chapter since October. The consuls have all worked hard to bring in recruits, and it is hard to single out any one man for special mention, but B. C. King, consul of the Peoples National Bank of Brooklyn, and W. W. Tappan, consul of the Chelsea Exchange Bank of New York, have enlisted everybody in their institutions, from the president down to the messenger, and are starting in on the directors. It is a pleasure to announce that Mr. Tappan was recently appointed assistant cashier of the Chelsea Exchange. Of course, numbers are not everything, as Mr. Allen says, but the presence of five hundred men at each lecture, giving close attention for two hours at a stretch to the lecturer, shows that the men of New York Chapter know what they want and are determined to have it. Professor Tompkins is a very popular instructor, and keeps close to the ground in a way that proves most satisfactory to the bank men who are giving up their hours of recreation in an effort to learn something that will be of actual value to them in their work. These lectures on Commercial Law will continue for some weeks. Mr. Kniffin is also looking after the Savings Bank Section.

The names of those who propose to contest for the prize offered by James G. Cannon, President of the Fourth National Bank, for the best paper written by a member of New York Chapter on the subject "Essentials in Granting Credit," are coming in to the committee in good volume, and indicate that some high class papers will be received and new authorities on credit developed. The prize is \$25 in gold, and the prize paper will be read before the Chapter, printed in pamphlet form, and widely distributed.

The character of the papers submitted in the Foreign Exchange examination has been surprisingly good and indicate that there are some fellows in the Chapter who know something about the subject. The committee is working on the papers and results will be announced shortly.

On December 14 the consuls of New York Chapter gave a dinner to the past presidents at Reisenweber's. One hundred and five men were there and much enthusiasm developed.

On January 12 a New Year rally will be held, with particularly good speakers, and the New York Chapter Glee Club, under the direction of H. M. D. Klove, of the Metropolitan Bank, will entertain.

Late in March an adding machine contest will be run off, so it will be well for you lightning adders to go into training for this event.

## OAKLAND.

By L. H. Heacock.

Oakland Chapter had a good pre-holiday meeting on the evening of December 15, when seventy-five members and friends gathered in the Chapter rooms for a smoker. The early part of the evening was devoted to a lecture, "In Washington and on Battle Fields in President Lincoln's Time," by Edwin R.

Jackson, of Oakland, a very pleasing speaker with an excellent collection of historical pictures. The talk and the views were appreciated, as was evidenced by the frequent applause and by the discussion in which some of our members joined with Mr. Jackson after the lecture. Messrs. Borton, Breck, Smith and Stuart, of the Entertainment Committee, who had charge of the evening, were busy serving "smokes" and punch during the program that followed. Our good friend Rattray, who has favored the Chapter at previous entertainments, rendered some piano solos. The Athens Quartet, made up of Messrs. Holton, Kling, Kimberlin and Kolling, caroled right merrily and were forced to respond to several encores. One of California's best known amateur monologists, Milton Schwartz, held the crowd for many minutes with his eccentric character sketches, and everyone clamored for "just one more" until he finally refused to "come back." Vocal solos by Mr. Borton and Mr. Jenkins formally closed the program, but a chorus was gathered about the piano until a late hour.

The educational meetings of the last months have been well attended, as Robert W. Harrison, who lectured, is well known and liked. The subjects treated—"Signatures to Commercial Paper," "Separate and Community Property," "Deeds, Mortgages and Homesteads," and "Escrows and Joint Accounts"—are all of more than usual personal interest, and the lectures were marked by the discussions aroused.

The class in "Banking and Finance" maintains an attendance of about twenty, who are battling manfully with the problems every Tuesday evening, guided by our Mr. Cerini.

Another of our members has won promotion to an official position. On January 1 G. Walter Ellis, of the Oakland Bank of Savings, goes to Hayward, one of our fast growing suburbs, as assistant cashier of the Farmers & Merchants Bank. Mr. Ellis has been connected with the Oakland Bank of Savings for seven years and is well liked by the Chapter members, whose good wishes attend him.

## PHILADELPHIA.

By Charles B. Engel.

Philadelphia bids her sister chapters greetings for the New Year and hopes that 1911 may be filled with progress and prosperity.

We in Philadelphia confidently await the New Year, firm in the conviction that it will be the most profitable we have ever enjoyed, for all indications point to success in the Institute activities we have undertaken.

Our Membership Committee, under the capable guidance of David Myers, has aroused a greater amount of interest in the Chapter throughout official circles than has ever before been shown, and since the opening of the winter season over fifty officers and directors have enrolled as active members.

As an evidence of this good work, Joseph Moore, Jr., has invited the Chapter to be his guests at a Ladies' Night to be held on January 25, and already the committee under Chairman Knox promises an evening that will make the date memorable in our history.

Our Educational Class goes steadily on its way

with interest sustained and attendance around the century mark, and we predict that it will require some ink for signatures to the certificates that the members will annex in the spring. During December we had Dr. Joseph French Johnson, of New York University, on "Money and Credit" and "Exchange and Money," and Dr. Huebner, of the University of Pennsylvania, on "Cash and Reserve" and "Stocks and Bonds," and the class is eagerly awaiting a resumption of the work after the holidays.

On December 2 we spent a most profitable evening with Judge Abraham M. Beitler, of our city, and Roger W. Babson, of Boston. Judge Beitler spoke on "Municipal Courts," and while we cannot observe their advantages at close range like our Chicago brethren, they were brought home so forcibly that the drawback of distance was eliminated. Mr. Babson completely disproved the statement that figures are dry and discussed "Factors Affecting Business Conditions" in a statistical manner which showed how invaluable statisticians are to bankers in forecasting monetary conditions and trade activities.

Mr. Baur, our critic, has so enthused the Debating Class that we are going after big game and expect to lock horns with Swarthmore College on the rostrum during January. The sessions of the class have been replete with splendid arguments and we hope to have a victory to tell of in the next issue.

## PITTSBURGH.

By H. E. Hebrank.

Pittsburgh Chapter was honored by the presence of Thomas Patterson, of the law firm of Patterson, Sterrett & Acheson, who spoke on "Some Questions of the Federal Law in Regard to Contracts." Mr. Patterson is a man of exceptional ability, a fluent speaker, and one of Pittsburgh's foremost corporation attorneys. His address, which was extemporaneous, was intensely interesting and very instructive, being upon a subject of wide national interest, it was especially opportune at this time, when everyone who thinks at all for himself has been struggling desperately with just such questions in regard to the big trusts and corporations, as Mr. Patterson so ably treated and so convincingly answered, in his discussion of the Federal law.

The Standard Oil and American Tobacco cases now pending before the Supreme Court of the United States came in for their share of the discussion, and when the speaker had finished the members were unanimous in their endorsement of his views and opinions, and not a few expressed themselves as having a very different view of the big corporations, as a factor in the welfare of the country at large, than that which they had before hearing Mr. Patterson.

Mr. Patterson's views in part agreed exactly with those of Mr. Knapp, Chairman of the Interstate Commerce Commission. He supported the conservatism of the railroad interests in the strongest way, and stated that he thought that the tendency of the times was toward concentration and that regulated monopoly was vastly better than destructive competition.

At the close of the last regular meeting W. G. Gundelfinger, of the Commonwealth Trust Company, conducted an experimental class in Parliamentary Practice, and while it lasted only fifteen or twenty

minutes, it proved to be a marked success, no less than 75 per cent. of the members taking part in the motions and discussions, and all, I am sure, were greatly benefited by being thrown in direct contact with the rulings of the chair and by repeated reference to Robert's Rules of Order, which governed the proceedings.

It is the intention to continue the Parliamentary Practice class at the close of each study class and thus train the members less active in Chapter affairs in that self assurance while speaking or thinking on their feet, which only comes after repeated effort.

Pittsburgh's study classes are, holding remarkably well under the leadership of S. M. Shelly, of the Bank of Pittsburgh, N. A., Chairman of the Educational Committee, and Dr. H. W. Temple, of Washington and Jefferson College. The classes this year have been at least 100 per cent. larger than in years past, and the interest displayed by the members can only be attributed to the personal magnetism of the speaker, together with the earnest and persistent effort of the committee. At the last lecture on "Money and Credit," speaking of the use of the greenback in Civil War times, Professor Temple said it is "the best guess" of the financial experts of to-day that Secretary Salmon P. Chase of the Treasury in Lincoln's cabinet, erred in issuing bonds to meet the crisis instead of making every effort to have the increased expenses met by taxes.

Pittsburgh Chapter held its annual money counting and adding machine contest on Tuesday evening, December 13. Real money, piles of it, in checks, bills and even pennies, nickels and dimes, slid from finger to finger with amazing rapidity; while adding machines clicked and coin rattled, 200 bank men enjoyed the spectacle and applauded enthusiastically as their favorites juggles currency with nimble figures.

Pierce C. Ferguson, of the First National Bank of Charleroi, Pa., counted a miscellaneous assortment of bills and change, amounting to \$1,588.73, in 7 minutes and 23 seconds, winning the first prize of \$15 in the money counting contest. The second prize, \$10, went to A. G. Wells, of the Pittsburgh Bank for Savings, whose time was 8:21, while F. F. Mullen, of the Mellon National Bank, won the third prize, \$5. His time was 8:53. Ferguson at the last contest won first prize in the same contest, counting \$1,524.97 in 10:5 minutes.

In the adding machine contests there were twenty-seven entries. Each contestant was required to add 100 miscellaneous checks of varying amounts. The prizes were awarded as follows: First prize, \$15, George L. Ritchey, of the Peoples National Bank; time, 1:47. Second, \$10, Herman McCullough, Peoples National Bank; time, 1:50. Third, Sailor B. Brant, Diamond National Bank, \$5; time, 1:50%. Ritchey and McCullough, in addition to the prizes offered, will receive additional prizes of \$25 each from the Peoples Bank.

On December 20 Dr. H. W. Temple gave one of his interesting lectures, taking for a subject "Bank Organization and Administration," and the large gathering present attests to Dr. Temple's popularity.

The Basket Ball League is occupying the center of attention at present, and already points to one of the warmest finishes of any season so far. The First National Bank is first, with the Monongahela National and Union National close by. A rest will be taken

until January 5, and from then until February 2 games will be played twice a week.

This month brought out another candidate for Executive Council, E. S. Eggers, assistant cashier of the Union National Bank, and a charter member of the Pittsburgh Chapter. Mr. Eggers is a candidate from the Fellows class. He is a past President, Vice-President, and several times a member of the Board of Governors of Pittsburgh Chapter.

## PROVIDENCE.

By R. K. White.

W. G. Meader, one of the foremost advocates of Institute education as distinguished from Institute attenuation, has been selected as the treasurer and manager of the new Attleboro Trust Company. Mr. Meader will take up his new duties in January and will live in Attleboro.

Mr. Meader was born in this city in 1883, and is the son of Lewis H. Meader, principal of the Lexington Avenue School. Upon graduating from Brown University with the class of 1905, Mr. Meader entered the employ of the Rhode Island Hospital Trust Company, where he has remained since.

The company which Mr. Meader will have in charge has just been organized. Charles M. Robbins is the temporary President, and it was mainly due to his efforts that the new company was formed. A charter was recently granted by the Massachusetts Bank Commissioners, and the preliminary details have advanced to such an extent that the doors will be opened within the next month.

Providence Chapter at its regular meeting had as speakers of the evening, following a turkey supper, George F. Field, of the local office of the United States Weather Bureau, who spoke on "Weather and Weather Phenomena," and Col. H. Anthony Dyer, who told of "An Artist's Ramblings in Some Picturesque Corners of France and Holland." William King gave piano selections. Harry C. Owens, President of the Institute, presided.

Mr. Field spoke interestingly of the work of the Weather Bureau, telling of its establishment here and the history of its development up to the present time. He traced the movement to study the weather from the establishment of the Temple of the Winds in Greece in ancient times, through the establishment of daily weather observations in Italy in 1654, and in England twelve years later, to the modern methods made possible by the introduction of the telegraph. More than fifty countries in the world now have weather bureaus, he said. He told of the origin of the familiar cold wave, which was caused, partly, by cold air descending from high levels, with a rising barometer and falling thermometer.

Colonel Dyer carried his hearers on an automobile trip through Holland, Belgium, France, Germany and back through Holland, pointing out and describing many spots dear to the eye of the artist, together with the customs of the people. He told of the condition of the roads in those countries, and the delays and vexations encountered at the custom houses in passing his automobile through. He dwelt on the splendid roads in Europe, telling of but one bad section, in the south of Holland.



The study class in "Banking and Finance" is progressing finely.

### ST. LOUIS.

By Frank C. Ball.

The adding machine contests, conducted by St. Louis Chapter for the Burroughs Adding Machine Company at the National Business Show, November 28 to December 2, inclusive, were handled in an efficient manner by Louis W. Frick, Assistant Secretary of the Mississippi Valley Trust Company. L. P. Stone, of the National Bank of Commerce, captured first prize in the final contest, running 250 checks in 3 minutes and 37 seconds. In one of the preliminary contests E. W. Smith, of the Washington National Bank, surpassed the world's record for 250 checks, running that number in 3 minutes and 35 seconds, and although Mr. Smith was beaten in the final contest, he has the distinction of holding the record for 250 checks.

On December 6 Hon. Shepard Barclay, former Chief Justice of the Supreme Court of Missouri, delivered an able and inspiring address before our Chapter, subject, "Lines of Self-Culture for Bank Men." Judge Barclay's broad experience in the law and in teaching business men, having for twelve years conducted a series of "Law Lectures for Business Men" under the auspices of the Young Men's Christian Association of our city, has peculiarly qualified him to speak to young men.

The evening of December 13 was given over to the Debate Committee. The subject, "Resolved, That bank notes in the United States should be issued by a central association of issue," was ably taken care of by Messrs. E. L. Lalumier and W. R. Dorris for the affirmative and Messrs. R. R. Sleeper and S. L. St. Jean for the negative. The decision was awarded to the affirmative.

E. B. Clare-Avery, assistant cashier of the Merchants' Laclede National Bank, addressed the Chapter on the evening of the 20th, subject, "The Credit Department of a Bank." The large and appreciative audience which greeted Mr. Clare-Avery was indicative of the high esteem which he enjoys among the members of the Institute.

With a feeling of personal loss I take this opportunity of paying a last tribute to our friend and fellow member, Eugene R. Berger, who has passed on to that bourne from which no traveler returns. At the time of his death Mr. Berger was a paying teller in the National Bank of Commerce and Vice-President of our Chapter. He had graduated in law about one year ago, and was considered one of the brightest young bank men in the city. He will be missed by the bank, by the Institute, and by a host of personal friends in addition to his family and immediate relatives.

### ST. PAUL.

By Theodore L. Lee.

The discussion often arises, should St. Paul and Minneapolis become one city, governed by the same laws, enjoying the same privileges, working toward a common end, forming the great metropolis of the Northwest? The dailies in both cities in their editorial columns, from time to time, devote considerable

space to the subject in an attempt to show how such a move might actually be brought about, but time goes on and the closest relationship yet recognized is merely that the two cities are Twins. The bank clerks, however, probably because consolidating is a part of their business, have made one step toward bringing about the desired end by uniting St. Paul and Minneapolis Chapters on Ladies' Night, and it is planned to make this meeting an annual affair.

The first meeting under this union of the two chapters took place at the U. C. T. Hall, St. Paul, on the evening of December 17. The plans were for merely a social time, the early part of the evening being taken up with a program, more or less on the minstrel show order, and toward the close an informal dance being engaged in, together with various forms of amusement. Light refreshments were also served.

The meeting proved to be the most successful of the year, both from the standpoint of attendance and the manner in which all details were handled. Those who took part in the program showed unusual ability. The impersonations of Larry Lauder and "The Country Kid" by "Billy" Wilson and Sam Martin were enthusiastically received, as were also the female impersonations of Powers and Duprey, of St. Paul. Godfrey Pearson, of St. Paul, made his usual pleasing impression with a baritone solo. The vaudeville number by Messrs. Crane, Larabee and Thayer, put on by Minneapolis Chapter, showed considerable preparation and furnished some of the best entertainment of the evening. Messrs. Plant and Walters, of Minneapolis Chapter, rendered a pleasing tenor duet.

While the performers did well, still to the success of the evening must be attributed in large measure the efforts put forth by the Entertainment Committee, consisting of Carl S. Diether, of the Capital National Bank; Emil Ellingson, of the First National Bank, and Barry Tudor, of the Merchants National Bank. The renting of the hall, preparing the refreshments, engaging the orchestra for the dancers, erecting the stage for the performers, and numerous other details all fell to the hands of this committee, and they showed themselves equal to the occasion. It is hoped that many more such pleasant evenings may be spent with Minneapolis Chapter.

St. Paul Chapter, through the efforts of O. J. Schumacher, has again taken up its debate work. The Debate Club, as it was formerly known, is now the "spellbinders," and officers elected are as follows: President, A. J. Lee, of the Second National Bank; Secretary, Paul Delander, of the Merchants National Bank; Treasurer, Lawrence Drew, of the American National Bank. The next question to be threshed out will be "The Woman Suffrage Question," supported by J. A. Holmen, of the State Savings Bank, and denied by Frank Delaney, of the National German American Bank.

The class in "Banking and Finance" is keeping up well. The attendance is regular and Attorney Mayo has shown himself well qualified to handle the subject.

### SAVANNAH.

By George H. Dieter.

The December meeting of Savannah Chapter was held in their handsome new quarters in the Southern Express Building.



The regular routine of business was enlivened by a spirited adding machine contest between the expert operators of the Chapter. The contest was for the handsome gold medal donated to the Chapter by Col. Sigo Myers, President of the National Bank of Savannah. The medal was held by Andrew A. Lorrimer, of the National Bank of Savannah, who won it in a similar contest several months ago.

Mr. Lorrimer demonstrated his ability to come back by again winning the contest, defeating J. B. Buckner, of the Citizens and Southern Bank by the narrow margin of 5 seconds. Henry Garwes, also of the Citizens and Southern Bank, secured third place, 5 seconds behind Mr. Buckner. The contest consisted of listing 250 checks, and the winner's time, made on the Wales adding machine, was 4 minutes 28.4-5 seconds.

The other contestants were Messrs. J. H. Lubs and A. H. Strickland, of the Citizens and Southern Bank; E. E. Wright and F. W. Woods, of the Chatham Bank; M. B. Baughn, of the Exchange Bank; I. Patz, of the Germania Bank; N. J. Peters, of the Peoples, and H. H. Crovatt, of the National Bank.

A resolution was adopted urging our Congressman to use his influence toward having the Panama Canal Exposition held in New Orleans, the New Orleans Chapter having asked our assistance.

Announcement was made of the meeting of the Law Class on Tuesday, December 13.

The Savannah Chapter has taken the initiative toward having the Georgia Chapters admitted to the Georgia Bankers Association. Georgia now boasts of four chapters, the other chapters being Macon, Augusta and Atlanta.

#### SCRANTON.

By Frank H. Pierce.

It certainly would have been difficult to find a busier hive of bees than were the members of Scranton Chapter on the evening of the semi-annual adding machine contest, held in Raub's Hall, on November 29. The event had been thoroughly advertised, with the results that the attendance was excellent and that many an adding machine was worked overtime by the tireless operator, who endeavored to increase his speed or improve his accuracy. As a consequence, when the announcement of the results was made there were many smiling and downcast expressions, but to show that there were no hard feelings, the returns were received with continued applause.

The contest was held under the auspices of the Chapter but supervised by Thomas F. Shea, sales agent for the Wales Adding Machine, and Wm. McCarthy, representative of the Burroughs Adding Machine Company in Scranton's district. The basis of the contest was the correct listing of 250 checks that might be used in everyday business. Six machines were used, each company donating the use of three, and the operators listed their items in relays of three.

The first prize on the Burroughs was won by M. J. Barnack, of the Dime Deposit & Discount Bank, who made the remarkable time of 3 minutes and 55 seconds. It consisted of a gold scarf pin. First prize on the Wales, consisting of a shaving set, was captured by W. A. Williams, of the Lackawanna Trust, whose time

was 4:16. Second prize on the Wales, a cigar case, was taken by A. L. Dymond, of the First National Bank, Wyoming, Pa.; time, 4:22. Favorable mention on the Wales: H. H. Holder, Lackawanna Trust, time 4:27; W. B. Kramer, Lackawanna Trust, time 7:16. On the Burroughs, second prize, opal cuff links and pin, were won by T. E. Flynn, of the Traders National, time 3:59; favorable mention—E. H. Hauser, of Third National, time 5:03; J. R. Jones, of the Traders National, time 5:08.

The judges were John Griener, of the Lackawanna Trust; Robert Fish, of the North Scranton, and R. J. Shutt, of the Burroughs Company. Timekeepers: O. A. E. Obici, Traders National; T. C. Barzler, of Scranton Savings, and S. D. Speck, of the Dime Bank. Out of seventeen entries only eight contestants listed their items correctly. This is, however, a decided improvement over last year's meet, when only four out of sixteen were run correctly, and the then best time being considerably slower.

Following the contest and the awarding of prizes there was a short session of speechmaking, participated in by some of the officers and the representatives of the adding machine companies. Bouquets on accuracy and speed were made a specialty.

A satisfactory percentage of the membership of the Chapter is now affiliated with the "Banking and Finance" class, which is making very fine progress under the leadership of Attorney Shantz. Each and every one of the students expects to come out of the race with one of the certificates of efficiency plus expanded gray matter.

#### SHREVEPORT.

By R. McL. Jeter.

A large and enthusiastic audience met at the Chapter rooms November 9 and heard a most interesting lecture by Mrs. Boyston on "Parliamentary Law."

L. H. Baker resigned as Secretary of the Chapter, having accepted the position of Secretary and Treasurer of our prosperous and growing city. R. McL. Jeter was elected to fill the vacancy. Mr. Baker is still interested in the Chapter and says he will attend all the meetings and hear Mr. Van Hook deliver the lectures on "Banking and Finance" to the well attended and most steadily growing Chapter in the South.

With the following officers and "boosters" and our efficient lecturer, Mr. Van Hook, we hope to have a still larger chapter both financially and in membership: President, C. G. Rives; Vice-President, E. A. Conway; Secretary, R. McL. Jeter, and Treasurer, P. Hawkins.

#### SPOKANE.

By A. S. Blum.

The officers of our Chapter have every reason to be gratified with the boosting and publicity we are having and will have this season. While practical education is uppermost, social features are not overlooked. The first dance given by the association was on the 23d of November and was a very enjoyable

affair. Parties at the "Hall of the Doges" are always quite brilliant, the decorations are beautiful and complete, and the hall in itself is so artistic and so fit a setting for a large gathering. The second dance will occur at the same place in the midst of the holiday season, when gaieties of this sort are quite apropos. However, an important event of the year will be the big minstrel show, or the performance of "Bankers in Burnt Cork," as a clever Eastern Chapter has named their show. Committees have been appointed; they are enthusiastic and eager to make the show a success, in fact, the steps taken preparatory to giving this should make it one of the biggest things ever put on in Spokane.

Chapter meetings are being held regularly twice a month, and they are both interesting and instructive. On the evening of December 21st we were fortunate in securing as speaker H. C. Sampson, an ex-college professor, who is now General Manager of the Western Union Life Insurance Company. His talk on "What's Worth While" was very worth while. This is a subject of vital importance to young men and every bank clerk carried away a new incentive to do things. J. A. Yeomans, Assistant Cashier of the Old National Bank, gave an able address on "Banking and Finance."

The parliamentary drill led by different members of the Association, is proving a very interesting and beneficial asset. The boys show a willingness and a disposition to take advantage of this drill which is bound to bring big results. This was the last meeting of the year and everything points toward a busy and successful new year.

#### TACOMA.

By V. W. Fell.

Tacoma Chapter's educational work seems to be on a firm and growing basis, if the report offered by the Educational Committee at the December meeting is to be taken seriously. According to the report many of the bank boys at last seem to realize that luck is not a reality but the fruits of hard work and the grasping of opportunities as offered them.

The December meeting calls forth much praise for the entertainment committee as all the features offered were top line drawing cards. That the members suspected a little treat at the meeting is quite evident as several of the gymnasium boys were called upon to rush chairs from the National Bank of Commerce stock room.

First on the program was P. C. Kauffman, Second Vice-President of the Fidelity Trust Company, who spoke upon the advantages of the Chapter and hoped that more of the bank men would become interested in the work or at least have enough love of city and Chapter pride to become members, whether they took an active part or not.

Following Mr. Kauffman came A. F. Albertson, Vice-President of the National Bank of Commerce, who gave one of his characteristic talks, which threw much light on the dark Chapter troubles and leaves the Chapter as a whole feeling decidedly better.

The next offering was an interesting discourse by one of the leading advertising men in the Northwest, who took as his subject, "Tacoma and the Census." This gentleman had at his tongue's end figures and many facts which made all present more positive in their belief than ever that other cities undergoing a recount of the nature given "the City of Destiny" would have shrunk by some fifteen per cent.

#### WASHINGTON.

By F. V. Grayson.

We inadvertently omitted the name of E. E. Herrell as a member of the Board of Governors in our last writeup. Mr. Herrell is always on hand when there is work to be done and it is a pleasure for us to make this correction.

Dr. Veditz has covered the course in Banking and Finance up to and including "Banking Functions." These lectures have been exceedingly well attended and have been thoroughly instructive and enjoyable. Beginning with the New Year there will be specialists to take up some of the lectures.

On January 5th we will have the pleasure of listening to Willis J. Fowler, Deputy Comptroller of the Treasury, who will have as his subject, "Bank Organization." This should be a very profitable evening for the members and should bring out quite a number that have not taken advantage of these splendid lectures.

"Bank Administration" is the subject for January 12th, and will be handled by O. L. Telling, Chief of the Bureau of Reports, of the Treasury. We are quite sure this subject is in good hands, from the glowing reports received about Mr. Telling's work.

We are indebted to the Program Committee for a most enjoyable Musicales, followed by dancing, held at the Chapter rooms, Wednesday evening, December 7th. We wish to publicly thank, on behalf of the members, the following named ladies and gentlemen for their willing response to the invitation of the committee to participate in the program: J. Lambert Walker, Miss Lily S. Gerry, E. H. Finch, L. E. Murray, L. B. Aldrich, Mrs. Nellie O'Hare Pollard, Miss Margarite Walsh, George L. Thomas, E. Taylor Chewing, Neville D. Miller, David G. Kindleberger, Mrs. Annie Grant Fugitt, Miss Anna Rogers, Neville D. Miller. The Program Committee were Harry V. Haynes, Chairman; W. A. Dexter, E. C. Chewing, W. R. Baum, J. C. Williams, H. L. Selby, E. S. Wolfe, John Poole, H. H. Smith.

